

## EC Chiefs Differ on Finances

### Thatcher Holds To Demand for Spending Curbs

By Peter Maass  
*International Herald Tribune*  
**BRUSSELS** — European Community leaders, beginning a two-day summit meeting over the EC's gaping deficit, appeared to make little headway Monday in narrowing their differences on financial reform.

Even before the meeting started, the chairman of the conference, Britain clears the way for the EC to resume high-level contacts with Syria. Page 5.

Prime Minister Wilfried Martens of Belgium, was forced to withdraw his working paper on budgetary reform. It had been rejected by the EC's poorer southern nations, who called for less budgetary rigor and more development aid.

After the first round of talks between the 12 heads of government, plus President Francois Mitterrand of France, it was not clear whether a compromise could be negotiated that would satisfy both the north and the south. The wealthier northern countries balk at suggestions that member countries increase their contributions to the community to bridge the budget gap.

As the first day of talks ended, the French and West German leaders met mainly to discuss the agricultural aspect of the budget problem.

In general, Prime Minister Margaret Thatcher dominated the opening of the semiannual summit meeting. She held unyieldingly to a line calling for limits on EC spending, while her delegation carried out intensive negotiations with Spain over the status of the single-runway airport at Gibraltar.

The Gibraltar dispute broke out last week and has held up approval of a long-awaited accord to liberalize EC airline rules, leading to lower fares. The fragile airline accord will probably dissolve if the Gibraltar dispute is not solved by the end of the summit meeting. A new set of EC rules goes into effect July 1. See EC, Page 8.



Students arrested during recent protests were greeted Monday by relatives as they were released from a prison in Seoul.

## Egypt Will Build a High-Tech U.S. Tank

By Patrick E. Tyler  
*Washington Post Service*  
**CAIRO** — The Reagan administration has agreed to allow Egypt to produce the United States' main battle tank, the M-1A1 Abrams, in a move that will transfer sensitive technology to the Egyptians.

## Syria, Reacting to Abduction of Glass, Is Said to Restrict Iranians in Lebanon

The Associated Press  
**BEIRUT** — Syria has restricted the movement of Iranian Revolutionary Guards based in eastern Lebanon and canceled their firearm permits in retaliation for the recent abduction of an American journalist, Shiite Moslem sources said Monday.

## Some Iran-Contra Cash Went to Fight Lawsuit

By Joe Pichirallo  
*Washington Post Service*  
**WASHINGTON** — More than \$100,000 from Swiss bank accounts set up in the Iran-contra affair was spent for private detective work and legal fees to fight a lawsuit filed against Major General Richard V. Secord and other prominent members of the private network run by Lieutenant Colonel Oliver L. North, according to General Secord and other sources.

## London Grumbling Over Crumbling Albert Memorial

By Howell Raines  
*New York Times Service*  
**LONDON** — Here is the news from Kensington Gardens: The Albert Memorial, a towering landmark of Victorian architecture and one of London's most beloved and ridiculed tourist sights, could collapse within five years.



London's Albert Memorial, beloved and ridiculed.

## Seoul's Ruling Party Yields on Direct Vote

### Rewriting the Rules Opposition Seeks Election By November

By John Burgess  
*Washington Post Service*  
**SEOUL** — With a brief television address Monday morning, the ruling party chairman, Roh Tae Woo, rewrote the rules of South Korean politics and created optimism, in some cases euphoria, that liberal democracy may yet take root in one of the most intractably authoritarian environments in the non-Communist world.

### NEWS ANALYSIS

There had been hints that compromise was coming. But no one was prepared for the scope of what he did.

Mr. Roh announced that he would recommend granting virtually all of the opposition's demands concerning democratic reform and agree to a direct election of the president. President Chun Doo Hwan is expected to approve it.

Even Kim Dae Jung, long denounced as a firebrand revolutionary, would have his political rights restored and be free to run for office.

Mr. Roh abandoned the plans for change that his Democratic Justice Party had long clung to.

"If the majority of the people do not want it," he told viewers, "even the best-conceived system will alienate the public and the government that is born under it will not be able to dream and suffer together with the people."

Under the normal rules of politics in South Korea, Mr. Roh's move would have been an intolerably humiliating defeat for the ruling party, an enormous loss of face. Instead, it seems to have set the party ranks to celebrating that they

have finally done something that people support.

"We are following the people's opinion," said Kang Chang Hee, a ruling party assemblyman.

The whole arrangement, however, could fall apart. Koreans of all political persuasions are in creating new demands at the seeming

moment of agreement; their political world is often compared to a heavyweight boxing ring.

Yet, many people are feeling more optimistic than they have in years that their country is at some type of threshold.

The Seoul stock market Monday had a record single-day climb of almost 17 points. Newspapers rushed extra editions into print.

"We are extremely proud, we are a great people," declared the Dong-A Ilbo newspaper.

Even before Mr. Roh's statement, unusual things were happening. South Korea weathered three weeks of violence in the streets without the government invoking the old expedient of declaring martial law, closing the National Assembly and sending everyone home under guard of tanks and soldiers.

It was proof that politics have progressed, however slowly, beyond military domination. Ordinary South Koreans' political expectations are higher. They are better educated. They are unwilling to tolerate a return of the soldiers. Their country has a world reputation to guard as a major trading

### Opposition Seeks Election By November

By Clyde Haberman  
*New York Times Service*  
**SEOUL** — The chairman of South Korea's ruling party proposed Monday that the next South Korean president be chosen through direct elections, yielding, in a stunning turnaround, to every long-standing opposition demand of significance.

Early Tuesday, President Chun Doo Hwan weighed his ruling party's surprise recommendation amid a growing consensus that he had little choice but to accept.

Mr. Chun prepared to meet with Roh Tae Woo, the ruling party chairman, who altered the South Korean political landscape Monday in a nationally televised announcement.

Opposition leaders praised the action by Mr. Roh and called Monday for a presidential election by November.

In addition to direct elections, Mr. Roh proposed legal changes to guarantee fair campaigns as well as restoration of full civil rights to Kim Dae Jung, the opposition leader, and to most political prisoners.

He also called for human rights improvements, more freedoms for the press and political parties, autonomy for local governments and improved social programs.

It was what people wanted, Mr. Roh said in his broadcast address. "The people are the masters of the country, and the people's will must come before anything else," he said.

Korean political analysts and foreign diplomats said that Mr. Chun could not reject the recommendations without the risk of street protests that could be even more violent than those that had triggered South Korea's deepest political crisis in seven years.

"Even people in the military," a diplomat said, "are telling Chun that things have changed and that he's got to do something."

It was not clear when the president would make his decision. On Monday, Mr. Chun's press secretary, Lee Jong Ryool, said only that an announcement would be made soon.

Mr. Roh, whom Mr. Chun had picked as his successor under a system that may be soon be discarded, suggested that approval was likely.

During a meeting with national assemblymen from the ruling Democratic Justice Party, he said, "I will recommend to President Chun what I have suggested to establish and develop democracy according to the desire of the people."

"I don't think that the president would think otherwise," he said.

His announcement came as such a shock that anti-government politicians, ruling party officials and independent analysts all struggled to evaluate its implications. It was generally agreed, however, that the move may signal a halt to the street clashes that occurred on and off for nearly three weeks in Seoul and more than 30 other cities.

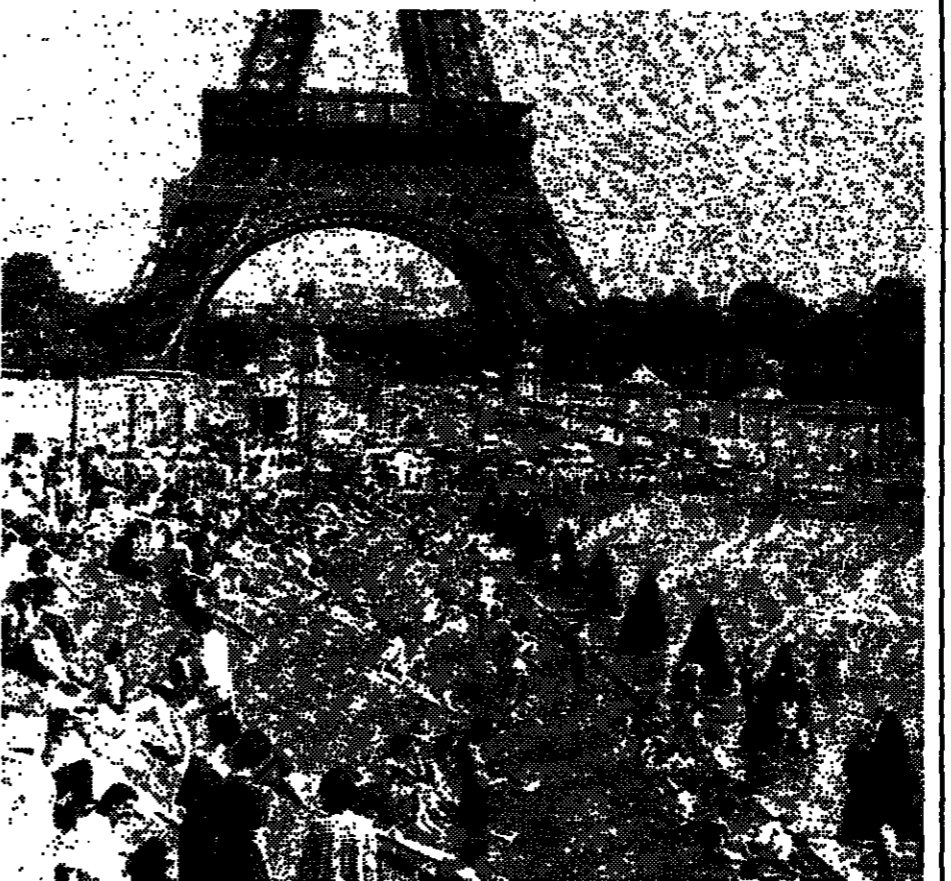
Opposition leaders, including Kim Dae Jung and Kim Young Sam, welcomed Mr. Roh's agenda but withheld comment on their own plans until after Mr. Chun reacted.

Kim Dae Jung, who technically is barred from political activity because he is under a suspended sentence for sedition, proposed that an interim government be formed to supervise national affairs until Mr. Chun steps aside next February.

Under his plan, Mr. Chun would head a "pan-national" cabinet to include opposition members.

The idea seemed to draw a cool reception from Kim Young Sam, who declined to discuss it. Although they have presented a

See KOREA, Page 8



Suddenly, It's Summer in Europe — And Hot

As temperatures rose from Britain to the Urals, Parisians and foreign tourists sought relief in the parks and fountains around the Eiffel tower. After a cool and wet June, forecasters said that high temperatures may endure despite thunderstorms and a lingering cold front over Scandinavia. Only Denmark, Norway, Sweden, Scotland and Ireland had some rain and lower temperatures. Page 2.

## Kiosk

### Van Gogh Sold For \$20 Million

**LONDON** (Reuters) — A canvas by Van Gogh was sold Monday at auction for £12.6 million (\$20.25 million dollars). The painting, "Le Port de Trinquetaille," becomes the second most expensive painting ever sold at auction. In March, Van Gogh's "Sunflowers" was sold for \$24.7 million, the highest price ever paid for a painting at an auction.



Martina Navratilova beat Peanut Harper 6-2, 6-2 to advance to the fourth round Monday at Wimbledon. Page 17.

## GENERAL NEWS

■ The paradise islands of the South Pacific have been bypassed by progress. Page 5.  
 ■ Experts on garbage agree: The United States is facing a "solid waste crisis." Page 4.

Dow close: UP 10.05  
 The dollar in New York:  
 DM £ Yen FF  
 1.5285 1.6095 146.70 6.1015

## Democrats Long for Nonrunners of '88

By E.J. Dionne Jr.  
*New York Times Service*  
**WASHINGTON** — Twice last week, important Democrats gathered to discuss politics and listen to senators who most of those present thought would make excellent presidents.

There was only one problem: In each case, the man in question — Senator Sam Nunn of Georgia, the center of attention at a meeting of the Democratic Leadership Council in Atlanta, and Senator Bill Bradley of New Jersey, who was jovially roasted at a fund-raising dinner in Washington — was not running for president at all. And Mr. Bradley, at least, says he is absolutely, positively certain he will not run in 1988.

Among the most unusual aspects of the 1988 presidential contest, already off to an early rocky start, is a longing for the candidate who is not there.

On the Democratic side, although seven candidates are already in the race and three more are thinking of running, many in the party say they want someone else.

Among the most unusual aspects of the 1988 presidential contest, already off to an early rocky start, is a longing for the candidate who is not there.

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WORLD BRIEFS

Summer Erupts in Europe, With a Fair Chance of Survival

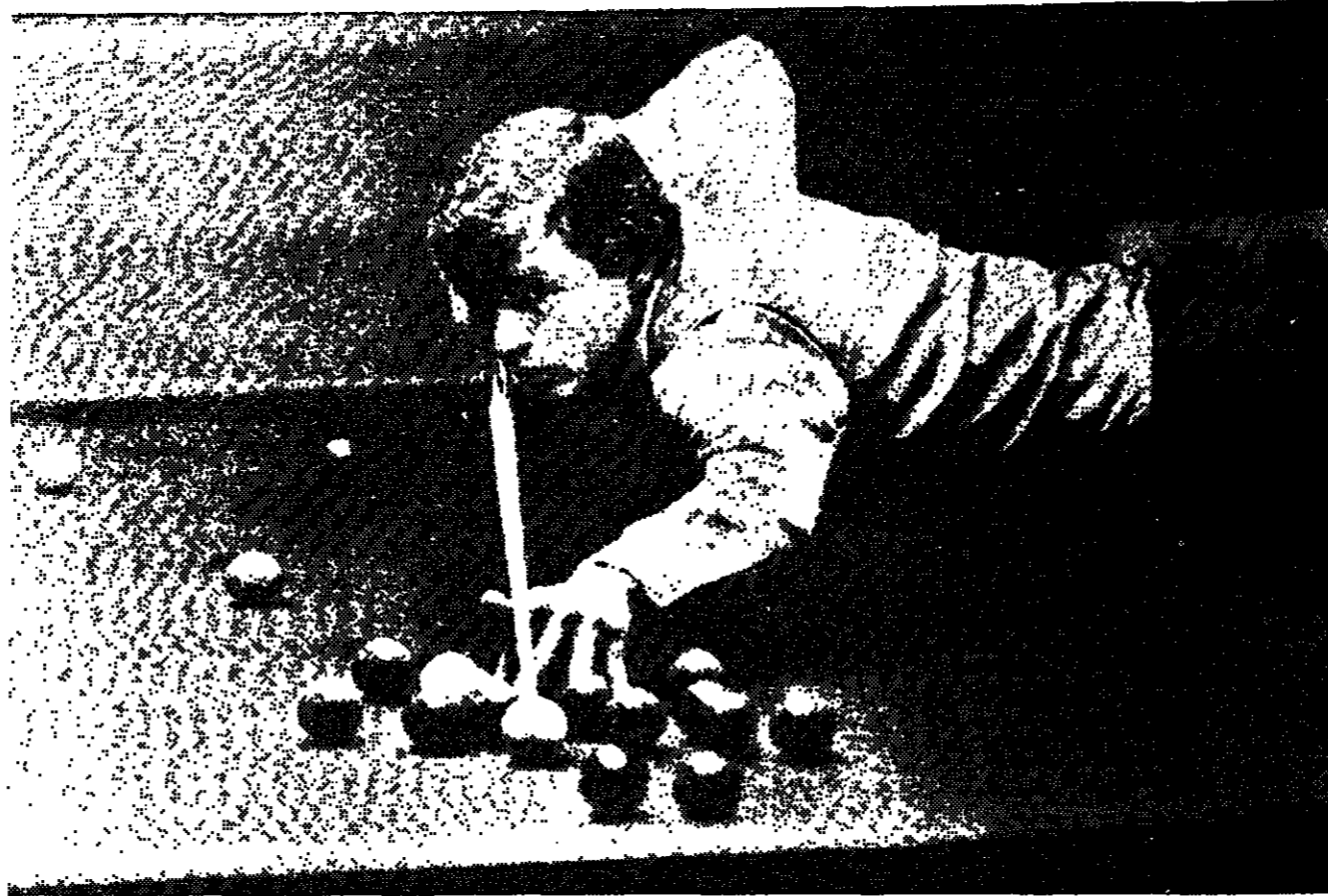
By Thomas Netter
International Herald Tribune
GENEVA — It was one week into summer, and business was booming at Le Glacier du Mont Blanc along the port of Geneva.

Across Europe, it did not take a weatherman to know that summer had finally arrived, bursting out of a soggy June with the lightness of a butterfly.

over much of the British Isles.
Weather Center official said bookies were giving 16-1 odds against the temperature hitting 24 C (76 F) by the end of last week.

Britain Tries to Export A Hit on TV: Snooker

Promoter Pits Champion vs. American
By Steve Lohr
New York Times Service
ROMFORD, England — Will snooker sell in Peoria?



Steve Davis, the world snooker champion, executes a difficult shot.

A Subtle, Slow Form of Pool to Wile Away the Day

ROMFORD, England — Snooker is conceived to help wile away the long rainy season in India. It was invented at a military club in Jubbulpore in 1875 by a young English officer, Neville Chamberlain.

The game's name, too, has a military origin. In the late 19th century, a first-year cadet at the Royal Military Academy was called a snooker.

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List Is Long for Dutch Housing

Demand Eternally Exceeds Supply, but Rents Remain Low
By Ronald van de Krol
Special to the Herald Tribune

AMSTERDAM — The chronic postwar housing shortage in the Netherlands entered its 43rd year recently with a jolting piece of news: The government now believes that the shortage is twice as large as it estimated only a year earlier.

der the age of 23 who live with their parents or in student-type accommodations because they can't find suitable, affordable flats of their own," he said.

Barbie Retains Nazi Beliefs, Jury Is Told

International Herald Tribune
LYON — The prosecutor at the trial of Klaus Barbie said Monday that the former SS officer had retained his Nazi beliefs despite Germany's defeat in World War II.

Barbie has been brought to the trial two days after his will since refusing to attend further sessions on May 13, the third day of hearings.

Greek Labor Chief Hurt in Ambush

ATHENS (AP) — A gunman shot and critically wounded the senior labor union official in Greece on Monday as he was getting out of his car outside his home in an Athens suburb, the police said.

Iran Reportedly Building Oil Pipeline

PARIS — The French oil magazine Petrostrategies reported Monday that Iran is secretly building a pipeline to channel its oil southward to the Gulf of Oman so that its exports can avoid crossing the Gulf.

NBC Workers Strike in 6 U.S. Cities

NEW YORK (AP) — The union representing 2,800 producers, writers and technicians in six cities went on strike Monday against the NBC television network in the third and largest strike against an American network this year.

U.S. Cardinal Seeks to Pray With Jews

NEW YORK (Combined Dispatches) — Cardinal John J. O'Connor has called for Roman Catholics and Jews to join together at a prayer service in New York to heal divisions caused by the meeting last week between Pope John Paul II and President Kurt Waldheim of Austria.

Gandhi to Meet Gurkha Separatists

NEW DELHI (NYT) — Gurkha militants in the Himalayan foothills of eastern India on Monday halted violent agitation to press their demands for a separate state, after Prime Minister Rajiv Gandhi agreed to meet with them.

Office Fire Kills at Least 3 in New Delhi

NEW DELHI (Reuters) — Indian Air Force helicopters saved office workers from the roof of a blazing building in central New Delhi on Monday but at least three persons died, including two men who jumped to escape the flames.

For the Record

Two Christian Orthodox dissidents returned Monday to Moscow from internal exile under an amnesty announced earlier this month, dissident sources said. They identified the two as Felix Svetov, a writer, and Zoya Krakhmalnikova, a philologist.

TRAVEL UPDATE

Some French Controllers Ease Strike

PARIS (Combined Dispatches) — One of several striking air controller unions in Paris decided Monday to suspend its action until the end of the week to "let vacation departures take place normally."

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The News



# In Search of Solutions to Growing Heaps of Garbage

By Philip Shabecoff  
New York Times Service

**NEW YORK** — As Americans discard ever-swelling masses of papers, plastic, glass and other leavings of a throwaway society, the practice of dumping garbage in landfills is on its way to becoming as obsolete as throwing it out the window for the pigs to eat.

The New York garbage scow that cannot find a home for its cargo has become a symbol of the problem of dealing with a volume of solid waste that is one indicator of affluence in which the United States continues to lead the world.

Some government officials, waste industry executives, environmentalists and others contend that the United States is facing a "solid waste crisis." Others disagree but acknowledge that the situation is serious in some parts of the country, especially large urban areas.

Officials are focusing on a number of potential solutions, including big garbage incinerators that also generate steam for electricity, and recycling programs.

A recent survey by the federal Environmental Protection Agency found that half of all U.S. municipalities will run out of landfill

space within 10 years and that a third of all municipalities will run out within five.

The experts say there is no room to dig landfills in many areas. Where sites are available, apprehension about the contamination of underground water supplies has been a deterrent. Other hazards posed by landfills include the generation of methane and other gases.

Local opposition, or what some call the "not in my back yard syndrome," also effectively blocks construction.

Environmentalists and some municipal waste managers are considering regional landfills that have impermeable liners to prevent the pollution of water, as well as monitoring for air and water pollution. Such landfills are used to dispose of

toxic waste but have been rarely used for garbage.

Each of the alternatives has economic or environmental problems, according to some of the experts.

Incinerators are gaining popularity. They can reduce the volume of trash by up to 90 percent, and the energy produced, which is sold to public utilities, can substantially reduce operating cost.

Big incinerators can burn 3,000 tons or more of garbage a day. But they cost as much as \$250 million to build, their construction can take five to ten years and they are often expensive to operate.

There are 100 such incinerators in use or near completion around the United States, consuming about 50,000 tons of solid waste a day, the EPA says. By 1990, the agency calculates, about 400 will be

operating, burning 250,000 tons a day out of a total projected output of about 386,000 tons.

Some environmentalists, including Barry Commoner, director of the Center for the Biology of Natural Systems in New York, contend that the incinerators produce pollution and toxic ash that make this cure for the garbage problem far worse than the disease.

Eric A. Goldstein, a lawyer for the National Resources Defense Council, an environmental group, said that, while incineration was necessary, "there is no federal scheme for making sure it goes forward in ways that minimize environmental risk."

He noted, for instance, that there were no standards for dangerous emissions except for dust particles. The EPA is working on rules to solve some of the hazards of landfills and incinerators.

Mr. Commoner and many other conservationists believe that recycling is the quickest, least costly and most environmentally sound solution to the waste problem.

A number of American communities have mandatory or voluntary recycling programs, but few have been able to reduce waste by as much as 20 percent.

Public appreciation of the nature and dimensions of the problem remains deficient, those who deal with the garbage issue say.

Sheila M. Prindiville of the National Solid Waste Management Association, a trade group, told of a woman in San Bernardino, California, who was asked her view of a proposed recycling program.

"Why do we need to change anything?" she said. "I put my garbage out on the sidewalk and they take it away."

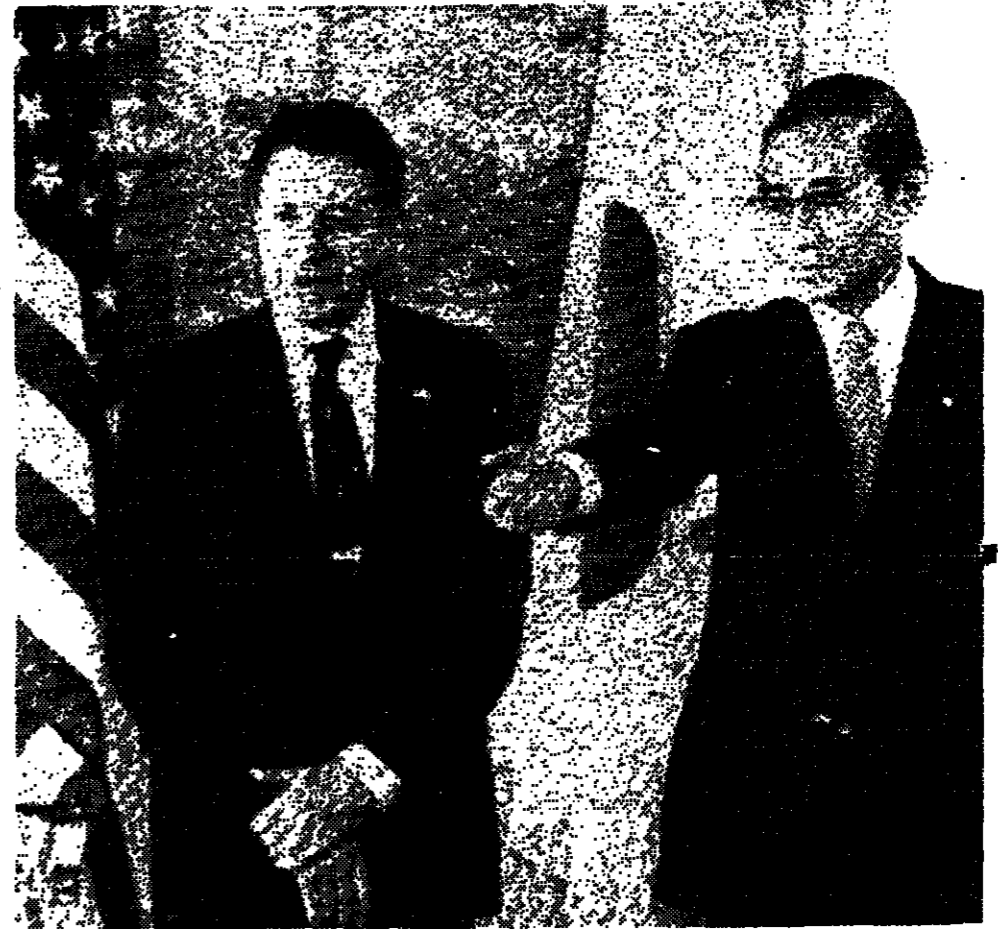
## U.S. Is Reticent On Greek Dispute

Reuters

**WASHINGTON** — The United States declined direct comment Monday on a dispute with Greece over reports that Washington accused Athens of helping with terrorists for protection from attack.

Charles E. Radman, a U.S. State Department spokesman, declined to say whether the United States believed Greece had been in touch with terrorists, but said "it is our practice to share information with our allies, including Greece, on the issue of terrorism and that in the course of those kinds of discussions there are points of disagreement."

The Greek government is said to have denied charges that a deal was reached with terrorist organizations so they would not strike in Greece.



Casper W. Weinberger and the Japanese defense minister, Yukio Kurihara, in Tokyo.

## Weinberger, in Tokyo, Cites Gravity Of Toshiba Military Sale to Moscow

By Barbara Crosscette  
New York Times Service

**TOKYO** — Secretary of Defense Casper W. Weinberger ended a visit to Japan on Monday saying he had told officials that both nations' security had been undermined by a Japanese company's illegal sale to Moscow of sophisticated equipment used to improve Soviet submarines.

Mr. Weinberger said he also offered the Japanese, embarrassed by the Toshiba Machine Company's illegal export of propeller-making machines to Soviet shipyards, a way to help undo what he called the "significant" damage.

Mr. Weinberger said before his departure for Washington on Monday that the United States and Japan had agreed to "work together with our mutual talents and capabilities and energies" to recover and maintain the edge in anti-submarine warfare.

Japanese officials said after Mr. Weinberger's departure that no concrete proposals had yet been made on how to carry out such a joint effort.

But statements made in Tokyo by officials and industry spokesmen over the last week indicate that the Japanese are apprehensive that Congress will retaliate by demanding a ban on Toshiba imports or compensation from the company.

Mr. Weinberger said Monday that getting Japanese assistance in strengthening anti-submarine capability would be a more "positive" act than demanding compensation.

The talks also included Japan's impending choice of a new generation of fighter aircraft, a multi-billion-dollar contract.

At issue is whether a new plane will be developed by a consortium of Japanese companies or bought from an American manufacturer.

would be important in developing the plane.

According to a Japanese correspondent who interviewed Mr. Weinberger in Washington on the eve of his trip, the defense secretary was also likely to have discussed the question of whether Japan should be doing more to contribute to the protection of shipping in the Gulf.

American officials declined to comment further on the talks.

Japan's contribution toward protection of shipping in the Gulf, an area from which much of Japan's petroleum imports come, has been a long-standing problem.

Japanese officials say the country's constitution does not allow this kind of international role.

A Foreign Ministry spokesman said recently that Japan did not expect Mr. Weinberger to demand immediate cost-sharing in the defense of the shipping lanes. He said that Japan had already proposed a "framework for international cooperation" in the area and that this might be the basis for Japanese-American talks.

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**Herald Tribune Alumni...**

## Trash in Massachusetts Is Reduced to Voltage

By Matthew L. Wald  
New York Times Service

**SAUGUS, Massachusetts** — While the rest of the United States tries to cope with a shortage of landfill space, officials north of Boston grow happier and happier with their solution: an incinerator that cuts trash volume by 90 percent without violating state pollution standards.

The commercial plant, which disposes of most of the trash from 20 towns with a combined population of more than 600,000, also produces electricity, which is now the plant's primary revenue source.

The incinerator opened in 1975, the first commercial one in the United States using a garbage-to-energy technology that is common in Europe, burning trash to boil water for electricity.

"We had to go out and beg for garbage when we started," said H. Bruce Manning, the general manager. "Now we're at capacity."

The average fee paid by the towns to the plant's operator, Signal Environmental Systems, is \$22 a ton. Landfills in the region that have not yet been filled or closed for environmental reasons charge up to \$100 a ton.

"They took a technology and made it work," said Bruce K. Maillet, director of the air quality control office of the Massachusetts Division of Environmental Quality Engineering.

He said recent tests had shown that concentrations of dioxins and furans, suspected carcinogens, emitted by the plant were under the state's guideline of 1.1 picograms per cubic meter of air. A picogram is a trillionth of a gram.

"We basically have satisfied ourselves that there is no public health hazard," Mr. Maillet said.

The plant's smokestack filters capture 99 percent of the particulates, Mr. Manning said.

There are 67 similar plants operating in the United States and 5 in Canada, with 30 under construction and 35 in advanced planning stages, according to a survey last year by the U.S. Conference of Mayors.

The garbage is loaded into giant boilers where temperatures reach 2,500 to 3,000 degrees, high enough to destroy nearly all the harmful compounds, plant operators say.

Saugus is called a "resource recovery" plant because the fire's heat is used to make steam for electricity. The steam goes to a turbine-generator.

The plant must bury the ash it produces, but Mr. Maillet said of this process, "They are landfilling a more stable material, and taking less space to do it."

The ash is less liable to contaminate water supplies, he said, and does not decompose to produce methane as garbage does.

## Supernova Discovery Obsesses Astronomers

Reuters

**LA SERENA, Chile** — High in the desert hills around the town of La Serena is concentrated probably the most powerful battery of star-gazing equipment in the world.

Hundreds of millions of dollars of the most sophisticated telescopes peer out into the southern

skies every night from three international centers manned by dozens of U.S. and European astronomers. The dry skies above the Atacama Desert made northern Chile the perfect choice for the site.

Yet what has been described as the astronomical find of the century, made here four months ago, came

not through this array of modern electronic eyes but from a little-used turn-of-the-century telescope operated by an off-duty researcher.

On the night of Feb. 23, Ian Sheldon, a 30-year-old Canadian researcher, trained his "museum piece" on the Magellanic Cloud,

which is visible only from the southern hemisphere.

"I was just testing the machine to see what it could do, so I pointed it at something that was already well-known," he said at Las Campanas Observatory, about 375 miles (560 kilometers) north of Santiago.

But when he developed the plates from the photographic telescope, he found a bright light that had not appeared in pictures taken over previous days.

It was the light from a giant exploding star, a supernova, whose discovery has dominated the attention of astronomers ever since.

The supernova, which is likely to bear his name, was the closest to the Earth to be spotted in 400 years and so bright that it remains visible to the naked eye.

"It was a little like witnessing what must have happened in the first few moments of the formation of the universe," said Cristian Stefano, an Italian astronomer.

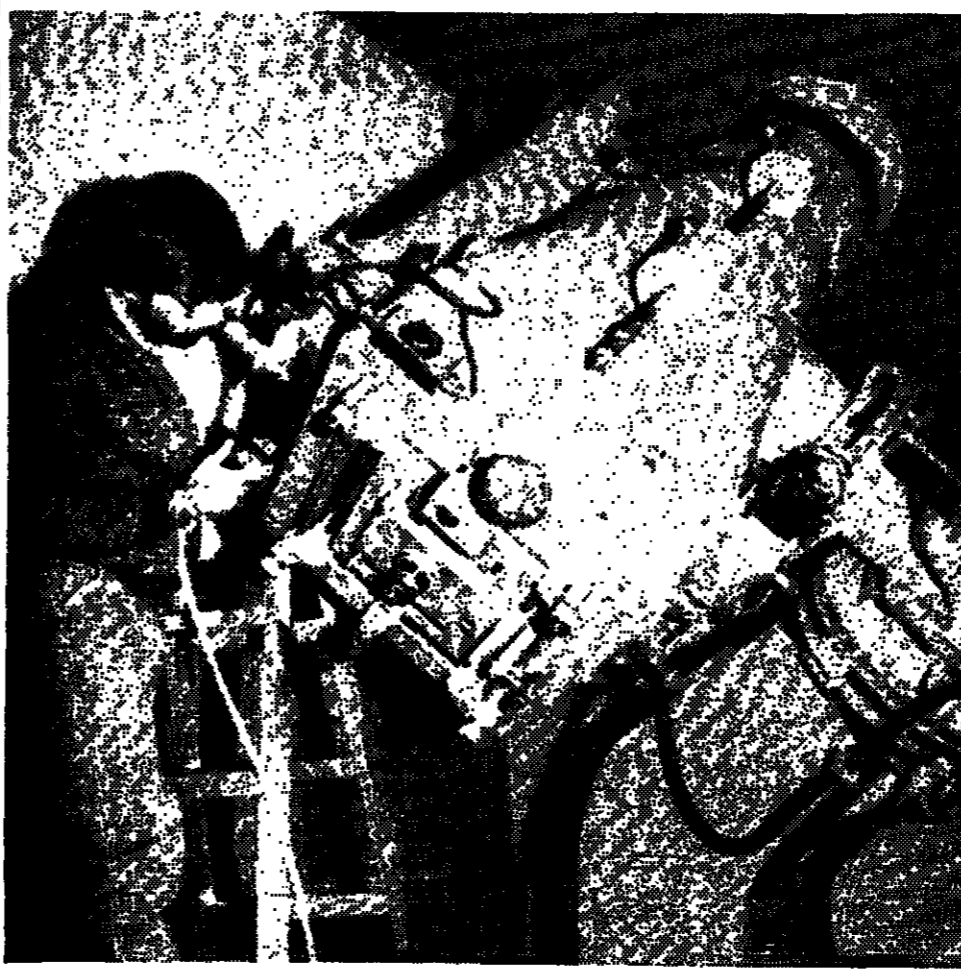
"The extreme conditions of heat and pressure," he said, "could never be reproduced on earth. It has been a test laboratory for the nuclear theorists."

The vast explosion spotted by Mr. Sheldon occurred 50,000 years ago, but the light it generated only began reaching earth in February. The star is hundreds of trillions of miles from Earth, which is close for an astronomer. The speed of light is 186,000 miles a second.

As its light begins to fade, scientists are still attempting to resolve questions raised by the celestial superstar.

The supernova was slow to reach maximum brightness, which normally occurs in hours but this time took three months.

Robert A. Williams, a U.S. astronomer, said explanation appeared to lie in the fact that the star, with eight times the mass of the sun, was very compact and that this had delayed the release of the erupting energy.



Ian Sheldon and the 'museum piece' telescope he used to discover a giant exploding star.

## Founder of Subud Movement Dies in Indonesia

Reuters

**UNITED NATIONS, New York** — Muhammad-Subud Sumadhiwijoyo, 86, founder of the Subud spiritual movement, died June 23 in his native Indonesia, adherents of the movement here have reported.

Mr. Sumadhiwijoyo, known as Bapak or "father" to his followers, established Subud in 1947, several years after experiencing a series of what he described as spiritual revelations.

Subud, which has no dogma or formal organization, is monotheistic, holding that the deity is incomprehensible to the human mind.

**Boudleaux Bryant, 67, Of Songwriting Team**

**KNOXVILLE, Tennessee (UPI)** — Boudleaux Bryant, 67, who with his wife, Felice, composed the unofficial Tennessee anthem "Rocky Top" as well as such hits as "Bye Bye Love" and "Wake Up Little Susie" for the Everly Brothers, died of cancer here Thursday.

Last year the Bryants were inducted into the National Songwriters Hall of Fame. Their other songs included "All I Have to Do Is Dream," "Wake Up Little Susie" and "Bird Dog," all best known as Everly Brothers hits.

The guitarist Chet Atkins, a close associate of the Bryants since 1951,

said Mr. Bryant was named after a Frenchman who saved his father's life during World War I.

**Jacob Sapirstein, 102, Greeting Card Magnate**

**NEW YORK (NYT)** — Jacob Sapirstein, 102, founder of American Greetings Corp. of Cleveland, a major maker of greeting cards and related products, died Wednesday at his home in University Heights, Ohio.

Mr. Sapirstein, a Polish immigrant, founded the company in 1906, selling postcards from a wagon. The family-run enterprise grew into a \$1 billion business with 23,000 employees.

**Elizabeth (Libba) Cotton, 95, Blues and Folk Song Writer**

**SYRACUSE, New York (AP)** — Elizabeth (Libba) Cotton, 95, who wrote the classic song "Freight Train" when she was 11 years old and who won a Grammy Award in 1985 for a collection of blues and folk songs, died here Monday of surgery following brain seizure.

### DEATH NOTICE

A memorial service for George Beach Mayhew Distinguished Professor Emeritus will be held on Saturday, the eighth of July, at eleven o'clock in the Chiesa di Santa Corona, Vicenza, Italy.

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**A Cordial Reunion in Beijing**  
Jimmy Carter and China's leader, Deng Xiaoping, embraced Monday as they met in Beijing, where Mr. Carter was on a private visit. The pair recalled their roles in ending the long diplomatic freeze between China and the United States in 1979. "One of the great benefits of our nation has been normal relations with the great nation of China," said Mr. Carter. Mr. Deng spoke of his gratitude for the "extraordinary" reception he received from Mr. Carter during a trip to Washington in 1979.

### U.K. Clears Way for EC To Resume Ties to Syria

**BRUSSELS** — Britain has dropped its opposition to the European Community improving relations with Syria, clearing the way for resuming high-level diplomatic contacts with Damascus after a seven-month break. London asked for a ban in November after accusing the Syrian government of involvement in terrorism. British officials, at the EC summit meeting in Brussels, said Monday that the ban was likely to be dropped at a meeting of EC foreign ministers in July in Copenhagen. "Britain will not stand in the way of its partners, who feel it is time to start talking to Syria again," an official said.

The ban was the most important element in a package of sanctions against Syria for its alleged role in an abortive plot to blow up an Israeli airliner in London in April 1986. The move toward lifting the ban coincided with a decision by the United States, which had also distanced itself from the government of President Hafez al-Assad, to send a senior envoy to Damascus. A British official said Britain did not intend to renew its own diplomatic relations with Damascus, broken off in October after a Jordanian was convicted of trying to smuggle a bomb aboard an El Al jet in his suitcase with the help of Syrian agents. The official said London accepted that Mr. Assad had taken some limited steps to distance Syria from international terrorist organizations and cited the recent closing of the Damascus office of Abu Nidal, a Palestinian guerrilla leader. But he said the Abu Nidal faction was still present in Syrian-controlled areas of Lebanon.

### Hard Times for Paradise Islands in Pacific

By Nicholas D. Kristof  
*New York Times Service*  
**NUKUALOFA, Tonga** — This is the kind of South Pacific paradise that most people would love to be marooned in: lovely beaches, relaxed and friendly inhabitants, bananas and coconuts available for the picking.

But Tongans are leaving. When New Zealand relaxed its visa rules in December, 5 percent of Tonga's population flew there in the space of a few months. That remarkable exodus from this Polynesian island group of 100,000 inhabitants reflects the growing realization that many South Pacific islands are economic anachronisms, abounding in sun and friendliness but having little on which to build a future. "When people talk about the rise of the Pacific rim," said Epeli Hau'ofa, a Tongan sociologist who has left his native country to teach in Fiji. "They mean the U.S., Japan, the U.S.S.R., Australia. We in the islands are left out of it."

There is little doubt that the Pacific is gaining on the Atlantic as a center of economic and political might. Already, trans-Pacific trade exceeds trans-Atlantic trade, and the high growth rates in Japan, South Korea and nearby countries have prompted talk that a "Pacific century" is dawning. But the ships and planes and capital that travel among the Pacific economic giants never stop at Tonga or Fiji or any of the other palm-lined specks in the ocean. Indeed, it seems that just as prospects have never looked better for the major Pacific nations, they are looking increasingly bleak for some island groups. The bloated stomachs of malnourished children on islands such as Vanuatu belie the image of paradise. And some experts say this may be the region of the developing world with the worst long-term prospects. Africa faces immense challenges, but it has resources that might eventually provide an economic foundation. The South Pacific, on the other hand, seems to face built-in problems. Already the island nations receive more foreign aid per capita than any other region in the world. Many economists, diplomats and international aid officials say that

But the islands lack the means to enter an industrial economy. Increasingly, islanders want medicines, radios, bicycles, books, toilet paper and other modern goods. These must all be imported, at least by the small islands, yet there is little that the islands can sell on the world market. Some sell agricultural products,

Walter Hadye Lini, said in an interview, referring to Pacific islands in general. "If we are not careful, we will continue to rely on aid instead of developing a few resources we have."

**"Today we exist mostly on aid. If we are not careful, we will continue to rely on aid instead of developing a few resources we have."**

— Walter Hadye Lini, Prime minister of Vanuatu

the small island nations are destined to endless dependency on other countries and that they may never emerge from the international welfare rolls. "There is no possibility of creating a viable economy on these islands — none," said David Routledge, a historian who teaches at the University of the South Pacific in Fiji. The islands were well suited to a subsistence economy, because the natural barrier of water afforded protection from enemies and because the climate and often fertile soil produced food in abundance.

postage stamps and fishing rights, in addition to seeking out tourists. But there is usually a big gap between the hard currency coming in and the sums that are needed. On the Cook Islands, for example, imports are usually about four times as much as exports. Usually islands make up for these gaps with foreign aid. The three coral atolls of Tokelau, with a population of about 1,600, get 80 percent of government revenue from grants from New Zealand, for example. "Today we exist mostly on aid," the prime minister of Vanuatu,

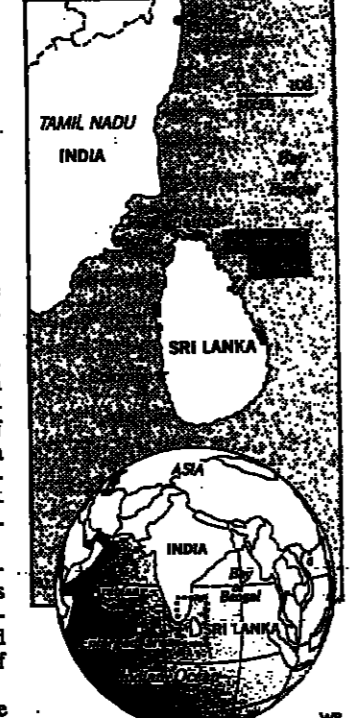
Others are dependent on mother countries — France for New Caledonia and French Polynesia, for example, and the United States for American Samoa and parts of Micronesia — and many residents see nothing wrong with maintaining that dependency indefinitely. But in many places the economic constraints are driving young people away. They feel claustrophobic on small islands and want to pursue careers in larger communities. The result deprives some islands of their most talented young people. The exodus has been most pronounced from small atolls whose citizens do not need visas to go to a mother country. The tiny Polynesian island of Niue, for example, is home to only 2,500 people, and the population is declining by more than 4 percent a year.

### In Sri Lanka, a Lethal Standoff

**Tamil Rebels, Government Leaders See No End to Violence**

By Francis X. Clines  
*New York Times Service*

**COLOMBO, Sri Lanka** — The Tamil rebellion in Sri Lanka has settled into a lethal standoff, with both sides indicating they believe the violence will continue indefinitely. Guerrilla leaders acknowledge that the government's recent military offensive has won control of Vadamarschi Peninsula, a logistical beachfront of the Tamils in the northeast corner of this island nation. "It was a formidable force and we had to withdraw," said Anton Balasingam, spokesman and strategist for the Liberation Tigers of Tamil Eelam, the main guerrilla group, which still holds the far larger Jaffna Peninsula, which the government has been unable to subdue.



chafe under what they call a colonial level of human rights abuse by the government. The clash stepped up after negotiations toward greater Tamil autonomy broke down last winter amid terrorist incidents that left scores of Sinhalese civilians dead. The government's offensive with a military of 20,000 has involved helicopter gunships, aerial bombs, and a minimum of 300 civilian and combatant deaths. In seven years, more than 5,000 Sri Lankans have died in guerrilla fighting, government reaction, and ethnic vendetta. Government officials insist that their investment in necessary assistance has been exaggerated. They said they occasionally hired fewer than a dozen "retired" military specialists as training instructors from Britain, Israel, and the United States.

"They're sitting ducks for counter-offensive," he said of the troops holding the 35-mile (55-kilometer) long Vadamarschi strip that had included a principal arms depot of the Tamils. The Tigers are leading the battle for a separate homeland for the Tamil minority of 3 million, which is well outnumbered by the 13 million ethnic Sinhalese who control the government. Facing a military stalemate and an unreceptive Tamil populace, the government has had to post thousands of troops in the Tamil north. This past weekend, it began talking of "picking up the shreds" of the unraveled negotiation process, but there were no substantial attempts evident on either side.

A contingent of three American "soldiers of fortune" train Sri Lankan troops in "jungle endurance" at an old race track in Katukurunda, 25 miles from Colombo, according to Tilak Ratanakara, the government spokesman. The Israeli instructors were not government counterintelligence experts, as rumored, he said. They constitute at the most three retired officers whose specialty in blitz-like response to guerrilla attack has thus far proven ill-suited to Sri Lankan terrain, Mr. Ratanakara said. India is concerned that Sri Lanka might turn to Pakistan for military aid. But Mr. Ratanakara said that there was no arms aid, only annual training of a small number of Sri Lankan officers in Pakistan. One question unrefined lately by Amnesty International is the fate of thousands of young Tamil men rounded up in the offensive. The government insists that 2,400 were arrested and that all but 700 have been released. Mr. Tiruchelvam, of the Tamil United Liberation Front, says that the number may be far higher but is difficult to ascertain because the army has begun warning families not to file affidavits on the missing.

Instead, the Tigers were vowing to resume guerrilla attacks soon, after the latest relief shipment of food is distributed from India, the Tamils' major ally in their centuries-long campaign. The Sri Lankan government said that it was building a string of forts in the north to buttress a newly announced attempt to hold by-elections and refill the Tamil seats in Parliament, which were vacated by moderates earlier. But such leading Tamil moderates as Neelan Tiruchelvam, spokesman for the Tamil United Liberation Front, said this was a propaganda gesture designed more for world opinion than for Tamil reconciliation. "It's alarming that there is still no clear idea of the casualties," he said of the offensive in an area where journalists have not been allowed to move freely.

The government's insistence that only 50 civilians were killed in the two-month-old offensive is widely doubted. The Tigers say the toll is

### Dutch Raise Funds for ANC

**THE HAGUE** — Dutch anti-apartheid activists have raised one million guilders (about \$500,000) for the African National Congress, the banned rebel group opposing the government of South Africa, a spokesman for the Dutch Anti-Apartheid Movement said Monday. The ANC would receive 600,000 guilders to spend as it sees fit, and most of the rest would go to help refugees, the spokesman said.

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### Sandoz to Pay Damages For Dye Leak in Italy

*The Associated Press*  
**PALAZZOLO MILANESE, Italy** — Officials at Sandoz Ltd. announced Monday that the Swiss-based chemical group would pay compensation for damages caused by a chemical cloud that leaked from its factory in this northern Italian town near Milan on Saturday. Doctors ruled out possible health hazards from the chemicals, which leaked from a dye mixture container, covering residents with blue, red and green spots. The spots damaged clothing, spoiled produce, and caused panic among residents, who recalled the dioxin spill in nearby Seveso in 1976 that killed hundreds of animals and made people ill.

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The Candidates on SDI

Republican 'Theology'

SDI, the Strategic Defense Initiative announced by President Reagan in 1983, is one issue that separates the presidential candidates of the two parties...

Alexander Haig, the former secretary of state, favors research on SDI, but thinks that full protection of populations is at least 15 years away...

A Target for Democrats

If the Republicans vie to prove their faith in 'SDI,' the Democratic candidates vie to prove their lack of it in 'star wars'...

A Model Conservative

When President Nixon named Lewis Powell to the Supreme Court 15 years ago, he was determined to reverse the previous 15 years of Warren Court liberal activism...

Other Comment

In Seoul, Signs of Maturity

The opposition has scored a clear victory in South Korea. Roh Tae Woo, the designated successor of President Chun Doo Hwan...

the evidence by giving in to the demands of an opposition it had underestimated...

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OPINION

Moscow Is Serious About Radical Reform

By Thomas H. Naylor

DURHAM, North Carolina — The biggest obstacle to Mikhail Gorbachev's sweeping economic reforms is not political ideology but the

experience of Soviet managers in decentralized, market-oriented planning and management.

To help him de-Stalinize the Soviet Union and open a closed society, Mr. Gorbachev has turned to a sophisticated team of five high-level economic strategists headed by Abel Aganbegyan.

Their strategy calls for nothing less than a systematic assault on the centrally planned economy, the self-serving Communist Party, the inflexible bureaucracy, the military and the KGB.

As one member told me recently, the complete dismantling of the monolithic Soviet planning agency, Gosplan, "is the only way to save socialism."

This team works closely with the new rector of the Academy for the National Economy, Yevgeni Smirnitky, to recruit senior-level Soviet bureaucrats to the new way of thinking.

Ministers, deputy ministers, and heads of the largest enterprises are brought to the Academy for an intense executive development program of seminars, role-playing and computer gaming.

Mr. Smirnitky said that many of these training sessions are open to the press, and they often result in "strenuous, heated debates."

Discussion topics include decentralized planning, participatory management, property rights, international trade, economic theory, computer technology and scientific management.

To gain new perspectives, all managers are temporarily reassigned to a ministry other than their own. They also spend two weeks abroad observing how other socialist countries have handled reforms.

The academy works with the Education Ministry to coordinate the work of 60 management training institutes — an effort to introduce middle- and lower-level bureaucrats to the new objective.

No one in Moscow claims that this aggressive management development program is a panacea that will eliminate all opposition to Mr. Gorbachev's reforms. Indeed, nothing could be further from the truth.

But it does represent a creative attempt to confront the culture of the largest zik-free society in the world.

Soviet managers now have access to a network of private management consultants, including members of Mr. Gorbachev's strategy team, who are being encouraged to gain practical experience by consulting with state-owned enterprises.

Last month, a private American management consulting firm began operations in Moscow amid considerable fanfare in the local press.

Soviet economists can now be paid as private consultants to state enterprises and government ministries.

From the initial response of economists to these new developments, private management consulting may soon become a high-growth industry in Moscow.

According to Professor Valery Makarov, a key member of the strategy team, additional reforms, even more radical, are on their way.

A new law on intellectual property will permit Soviet scientists to earn patent royalties on their inventions. Inventors will be allowed to start their own private businesses or go to work for higher paying Western joint-venture companies that license their inventions.

Can it be that Soviet high-tech entrepreneurs may be just around the corner?

Leonid Abalkin, the new director of the Institute of Economics, has indicated that starting in January, financial and banking reforms similar to those in Hungary and China will gradually be introduced in the Soviet Union over a three-year period.

They will include creation of new financial institutions, introduction of capital markets, application for membership in the World Bank and the International Monetary Fund and eventual introduction of flexible exchange rates.

When Mr. Gorbachev repeatedly called for "radical reform" in his Feb. 25 speech to the Communist Party Congress, we were told by American Sovietologists that this was merely political rhetoric and that nothing had changed in Moscow.

I believe that Mr. Gorbachev meant exactly what he said. The name of the game is indeed radical reform, and it is no longer in our self-interest to continue pretending otherwise.

The writer, professor of economics and business administration at Duke University, and author of a book on Soviet reform, recently returned from Moscow. He contributed this to The New York Times.

A Caution: 'The Tyrant Still Lives'

By Flora Lewis

PARIS — A French critic called the Soviet film "Repentance," which won the special jury prize at the Cannes Film Festival, "socialist surrealism."

Indeed it is an intriguing, in many ways perplexing and even troubling insight into what is now going on in the Soviet Union.

Mikhail Gorbachev's efforts to move his country away from the deadly, boring, flat-footed lies of socialist realism in the economy will probably have to face some of the eerie barriers conjured in the film.

Ostensibly it is the story of Varlam, a tyrannical small-town mayor with a vicious sense of black humor. On his death, torrents of grief wash from his intimidated and mesmerized townpeople.

But one woman, whose family was victim of his terror, is determined to expose his evil. Her method is to keep digging up his corpse to haunt his heir, finally forcing the son to recognize the horror on which pride was based.

It is the story of Stalin, told in fantasies and nightmares, filmed in Stalin's native Georgia by a Georgian director, Tengiz Abuladze, with Georgian actors speaking Georgian.

After the Cannes festival, it was shown at the Soviet Embassy here, and on the occasion Mr. Abuladze made a point of thanking Edward Shevardnadze, who was Georgia's Communist Party chief before he became Mr. Gorbachev's foreign minister, for permitting him to make it.

That was in the waning days of the Brezhnev era. Censors banned release until this year, when it was shown at jammed theaters in Moscow and now in the West by SovEurosport.

Technically, it leaves as much to be desired as some other Soviet exports. It is archly arty, with long, heavy silences and dark scenes so literally dark that nothing can be seen. That may be an overreaction to the years of total constraint on aesthetic form, and it seems dated.

Some passages are hilarious, the satire is savage, the ending surprisingly earnest.

But it has to be taken in Soviet terms as another revelation of the extraordinary social, psychological, and moral landscape Mr. Gorbachev must shake and move if his attempts at reform are going to get very far.

The director said he was trying to "generalize" his central character, and so gave his dictator Hitler's mustache, Mussolini's black shirt and pouter-pigeon strut, Beria's pinneze, as well as Stalin's boots and glittering dark eyes. But to Russians, this is not just cinematic pastiche.

As an elderly Soviet political commentator said in Moscow, the suggestion is breathtaking that Russians are invited to see their own deformed dictator in the same light as the fascist leaders who fought their country. To the extent that the Soviet Union has de-Stalinized, it was still never whispered there that the regime had something in common with its enemies.

Further, the Russian editor expressed his surprise that the film was accepted in Georgia, where the Stalin cult remains. "Of course," he said, "it was made by Georgians and it tells of the sufferings and the sacrifices of the Georgian people. That is probably why they weren't offended."

But clearly much more is meant by the heroine's remark at her trial for grave robbing the problem, because she sees immediate barriers and tend to miss the answers that come unexpectedly from new directions.

Recent advances in high-temperature superconductors are a good example of this. For SDI, many of these surprises have happened since President Reagan's speech in 1983, but the surprises have come not from beam weapons or missiles but out of the field of computers — the brains of any deployed SDI system — and the senses — the eyes of the system.

The information revolution is propelling us into a new world of increasingly widespread knowledge. The key to a safer and more secure tomorrow is to harness the power of this knowledge.

I cannot predict with accuracy the outcome of the critical SDI experiments now under way. But many of the necessary elements of a defense system have been shown to be feasible, and I am convinced that we can resolve the outstanding issues one way or the other with a vigorous program.

Obviously that comprehensive program will be expensive and will take time. But it will only cost more and take longer without a national consensus to pursue the program objectively in an orderly and consistent manner. SDI deserves a determined effort. It is the only logical thing to do.

The writer formerly served as chief scientist and acting deputy director of the SDI Organization and now is president of Titan Technologies. He contributed this to the Los Angeles Times.

A Tough-Minded Candidate Still Needs a Tender Heart

By George McGovern

WASHINGTON — As the United States approaches another presidential election, the political commentators are again telling us what qualifies the people are looking for in a candidate.

High on the list is "toughness." Recently I heard a guest commentator on the Voice of America explaining that if the Democrats are to recover the White House they must select a "tough" candidate like Harry Truman, John Kennedy or Lyndon Johnson — all winners — and not a "preacher" like Adlai Stevenson, Hubert Humphrey, George McGovern or Walter Mondale — all losers.

He said Jimmy Carter was a special case — a "preacher" who won, but only because the country wanted an antidote to Watergate.

When I hear such certain analyses about American politics, I recall H.L. Menckle's response to a similar observation, "There is something in what you have to say, but not much."

"Toughness" is obviously a desirable quality in a contender, but that depends on how you define it. "Toughness" is one of those all-encompassing words like "realistic" that depends on the eye of the beholder.

By my lights, the half-dozen great presidents were Washington, Jefferson, Jackson, Lincoln, Wilson and Franklin Roosevelt. And by my definitions they were all "tough" and all great "preachers." But can "toughness" and "preacher" be lodged in one man? Certainly.

The Reverend Martin Luther King Jr. was fond of the biblical text "Be ye therefore wise as serpents and harmless as doves," which to him was an injunction to be "tough-minded and tender-hearted."

That is my view on presidential toughness — the capacity to make judgments with a "tough mind and a compassionate heart guided by a sense of moral purpose."

Toughness is often equated with the hawk side of the doves vs. hawks debate. But it has generally seemed to me that the so-called hawks were the more soft-minded people while the doves were generally of the more tough-minded, realistic breed.

I think the people who led America into Vietnam did not make tough-minded judgments about the realities and historical circumstances of Southeast Asia. They offered more preachments than hard-headed analysis.

To be more current, I think the nation has been led for the past six and a half years by an amiable man whose judgments are often soft-minded. Sometimes he seems to have reversed the biblical admonition as interpreted by Dr. King so that it becomes "Be ye therefore soft-minded and tender-hearted." I prefer the King formula.

The toughness candidate for my party in 1988 will be the one who most clearly understands that we are on a dangerously soft-minded course. There is little toughness in a leader who looks at the nuclear arms race in the 1980s and concludes that what America needs is a major buildup of nuclear weapons and the expenditure of \$1.5 trillion for "defense."

There is no mental toughness in a leadership that permits America to double its national debt and move from the world's leading creditor to its leading debtor in six years.

There is no toughness worthy of the name in a leader who looks at Central America's desperate need for doctors, teachers and agricultural experts and instead sends arms to discredited mercenaries.

There is no toughness in a leader who claims to be the enemy of terrorism and then secretly sells arms to Iran. There is neither tough-mindedness nor tender-heartedness in a school principal who calls for cuts in the school lunch program while pressuring the "star wars" system.

A presidential contender with a tough mind and a tender heart will be committed to a reversal of the arms race, an improvement in U.S.-Soviet relations, a termination of military operations in Central America and a much greater effort to reduce the federal deficit and improve the quality of life in the United States.

To be tough today is to recognize that while America will always need an adequate military defense, most of the dangers and opportunities that confront it are economic, political, diplomatic and moral. A larger arms race with a larger federal deficit will further weaken the capacity to meet the central challenges of our time.

The writer was the Democratic presidential candidate in 1972. He contributed this to The New York Times.



Coming soon to the Gulf

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Criticizing SDI May Be Popular, but It Isn't Logical

By Gerold Jonas

SAN DIEGO — The Strategic Defense Initiative was developed to find out if emerging technologies could be used as a way of eliminating or significantly reducing the threat posed by nuclear-tipped ballistic missiles.

The plan was, and still is, to develop enough of a factual basis concerning the cost and effectiveness of a defense system so that an informed decision can be made on whether to proceed with the next logical step: engineering development.

So why are we being inundated with editorial opinions expressing the view that SDI cannot work and will bankrupt the country in the process?

At a time when Washington is reluctant to match Moscow's commitment to strategic offense, the Soviet Union continues to make large investments in developing and deploying means to protect itself from air and missile attack.

With no U.S.-Soviet military detente, the future possibility of Soviet strategic superiority is of increasing concern.

SDI critics point to the 1972 anti-ballistic missile treaty as a symbol of U.S. commitment to deterrence, not through protection but through retaliation at lowered levels of offense.

The treaty has never provided the reductions in offensive forces that were fundamental to its acceptance. It is becoming less clear that U.S. retaliatory forces and the ABM treaty will continue to deter lesser nuclear attacks, or non-nuclear modes of aggression, or the threats of the same.

Would it not be safer to create defenses to deny the military value of a pre-emptive strike, as well as to provide more protection? Would it not be wiser to create real doubt in the mind of an attacker as well as to retain the emphasis on instilling fear of certain and effective retaliation?

Obviously this vision of deterrence based on a combination of offense and increasing defense applies to both the United States and the Soviet Union. If we agree to put aside the nuclear threat and move to greater reliance on protection, it is possible that the Soviet Union's unimpaired advantage in conventional weapons could leave it with other military advantages.

Here again the United States must call on its advancing technology to reduce the conventional nuclear arms race and allow it to shift to deterrence based on defense rather than means of retaliation or offense. Here again SDI is providing rapidly emerging technology related to warning, information handling and computerized assistance in decision-making so vital to managing crises and maintaining peace-time conditions.

But why would Moscow negotiate mutually beneficial and verifiable agreements? History shows that the Soviet Union is far more reasonable when the United States is dealing from strength rather than weakness. What greater strength does the West have than that of its vigorous and rapidly changing technology driven by an open and competitive free world?

But does this technology really offer the leverage, or is it just a fanciful projection that might exist only in the distant future? Predicting the future of technology is often hardest for the people closest to the problem, because they see immediate barriers and tend to miss the answers that come unexpectedly from new directions. Recent advances in high-temperature superconductors are a good example of this.

For SDI, many of these surprises have happened since President Reagan's speech in 1983, but the surprises have come not from beam weapons or missiles but out of the field of computers — the brains of any deployed SDI system — and the senses — the eyes of the system. The information revolution is propelling us into a new world of increasingly widespread knowledge. The key to a safer and more secure tomorrow is to harness the power of this knowledge.

I cannot predict with accuracy the outcome of the critical SDI experiments now under way. But many of the necessary elements of a defense system have been shown to be feasible, and I am convinced that we can resolve the outstanding issues one way or the other with a vigorous program.

Obviously that comprehensive program will be expensive and will take time. But it will only cost more and take longer without a national consensus to pursue the program objectively in an orderly and consistent manner. SDI deserves a determined effort. It is the only logical thing to do.

The writer formerly served as chief scientist and acting deputy director of the SDI Organization and now is president of Titan Technologies. He contributed this to the Los Angeles Times.

Yes, Delors Should Resign — Unless ...

By Giles Merritt

BRUSSELS — Yes, Jacques Delors should resign from his job at the head of the European Community if the EC leaders now meeting here refuse to heed his warnings.

The community is heading for the rocks, and Mr. Delors's resignation would be the sort of dramatic gesture that could yet save it.

Brussels has been buzzing with speculation about the possibility that Mr. Delors, who has been president of the European Commission for two and a half years, may step down a full 18 months before his term is over.

He is reported to have become so angry and frustrated over European governments' refusal to tackle the EC financial crisis that he is threatening to quit. It could be that only such shock tactics as a walk-out by the president and some senior members of the European Commission can bring the member states to their senses.

The EC Commission is caught in an absurd cross fire. On the one hand, member governments berate it for operating a "profligate" community budget that is sinking ever deeper into the red, thanks to runaway farm subsidies that absorb about 75 percent of its funds.

On the other hand, most EC governments refuse to listen to even the most cautious of the commission's plans for curbing these subsidies.

When Mr. Delors took over as president of the commission it was with the intention of putting an end to such nonsense. He gave up his position as finance minister of France to take the job, and made it plain that he intended to tackle Europe's problems head-on.

Even before he arrived in Brussels he demonstrated an impatient, authoritative style that promised he would quickly wrest back to Brussels much of the political power his predecessors had allowed the member governments to grab.

Mr. Delors cut through the traditional haggling over which portfolios should be handled by which commission member. On the basis of ability rather than nationality, he high-handedly assigned responsibilities to each.

He is autocratic and at times abrasive. He rules over his fellow commissioners with a rod of iron, and his growing number of advisors claim that he is well on his way to joining the EC's select band of "Great Europeans." His name, they say, could rank alongside founding fathers like Jean Monnet and Robert Schuman, or such redoubtable figures as Walter Hallstein, the EC Commission chief who 20 years ago dominated policy making in Europe.

Yet Mr. Delors has not re-established the commission as the dominant political institution in the EC. He has not been able to breathe new life into its overpaid and understreched bureaucracy.

And to his own undisguised irritation, Mr. Delors has failed to hammer home the simple message that governments can only take out of the EC budget what they put in. Six months ago he proposed a new funding system that would be fairer and would reflow the community's bankruptcy finances.

Each member state would pay 1.4 percent of gross national product (instead of the same percentage of value-added tax receipts, as is now done). That would swell the budget by almost a third, to about \$60 billion a year.

Most European governments have reacted with horror, even though the budget hike would permit some and badly needed industrial policies. The result is deadlock, with no likelihood of a deal at the current meeting. A financial crisis looms.

The hall is now in Mr. Delors's court. He can choose to precipitate a first-class political furor by resigning — flouting, one would hope, by many of his fellow commissioners — or he can swallow his anger.

The complicating factor is that Mr. Delors also nurses ambitions of being the next president of France. If he were to quit his EC post, would that strengthen or weaken his claim on the Elysée Palace? Mr. Delors's own staff members are playing down the possibility of his resigning, so this may join the list of five or six previous occasions in his career when he has threatened to quit.

This time, though, Mr. Delors should go ahead. The EC is caught in a vicious circle, and the first victim is proving to be Europe's fragile unity. Jacques Delors should place his resignation on the table — together with a list of the farm and budgetary reforms that would induce him to withdraw it.

International Herald Tribune.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Wall Street's Week

NEW YORK — It would be idle to say that politics (the conventions) have not affected the stock markets this week, but while prices have been moving in a narrow range, the tone of the markets has been strong, reflecting improving conditions in the manufacturing and mercantile worlds and magnificent crop prospects.

1937: Atlantic Airline

PARIS — Trans-Atlantic commercial flights came a step nearer to realization this week with the formation of a new company, the Compagnie Air France-Transatlantique, in which the French Line and Air France, national French airline, have combined forces.

John J. S.

OPINION

Reagan's Not Angry, Sorry Or Shocked, Just Frivolous

By Anthony Lewis

NEW YORK—With all the bizarre and chilling testimony over these last weeks, in a way the most extraordinary thing in the Iran-contra hearings is something that has not happened: President Reagan has expressed not a word of outrage at the facts disclosed, not a word of regret.

ABROAD AT HOME

He was not angry. He was not sorry. Not so far as we know. He said nothing. As with that large canvas, so with the grotesque details. A retired general, now a private businessman, took a group of Iranians on a tour of the White House.

Back in the Saddle

RONALD Reagan seems to be back in the saddle again. He stumbled at the economic summit and is being battered in the Iran-contra hearings, but he is a happier man since returning to the stump to attack "the tax-and-spend crew on Capitol Hill."

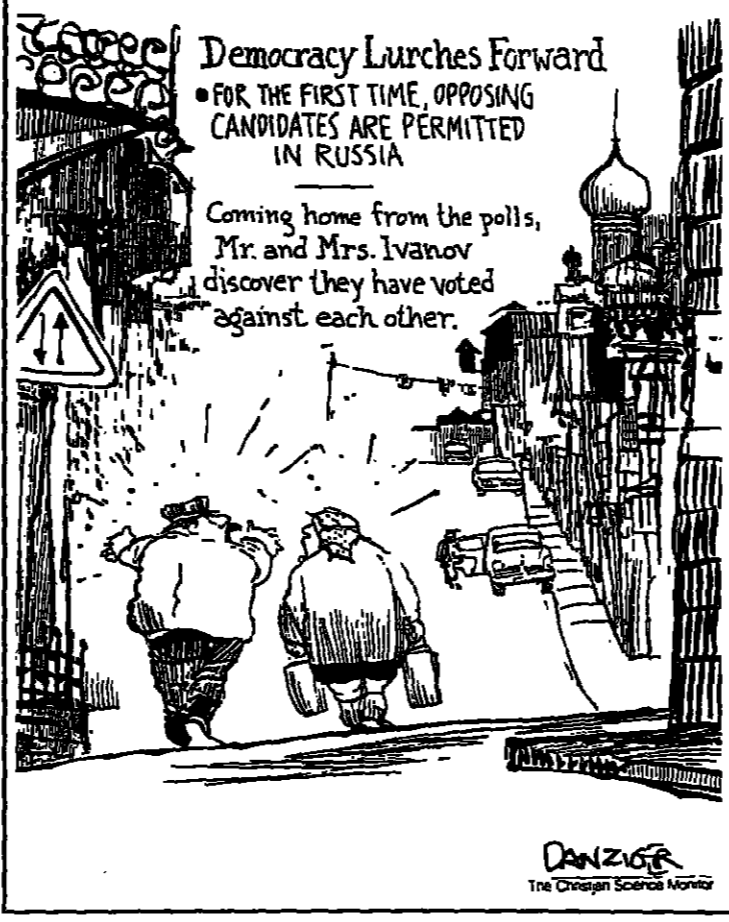
Mr. Reagan is older and more stubborn now. He is a much tougher customer to sell a compromise, for Howard Baker, the White House chief of staff, or for anyone else. On the stump, Mr. Reagan conveys the impression of a secure ideologue who prefers to leave a legacy of intransigent opposition to fiscal compromise rather than that of a president who gets things done.

depose President Saddam Hussein of Iraq. Do you think such undertakings should be offered on behalf of the United States without consideration by Congress or the responsible executive departments? You said recently, Mr. President, that there was no "smoking gun" connected with the wrongdoing in the Iran-contra affair. There has been detailed testimony that Lieutenant Colonel Oliver North, of your National Security staff, hired outsiders to sell arms to the Contras and Iran, to arrange airstrips, buy planes and spend large sums.

Do you think it is wise, and proper, for U.S. foreign policies to be secretly financed by contributions from foreign potentates? Do you think it is right, and consistent with American ideals, for government officials to solicit funds from private U.S. citizens to carry on foreign policies forbidden by acts of Congress? One American who donated such funds testified that he was told you would personally meet and thank any contributor who gave \$300,000 or more to send arms to the Contras.

Colonel North had documents altered and shredded after the Iran-contra affair began to unravel. Why do you think he did that? Do you condemn the action? Representative Henry Hyde, a Republican from Illinois, said Colonel North and the others had used means that were "wrong and bad and blameworthy" — but that those means were justified by the end: "the Nicaraguan resistance survived." Do you agree that the end justified the means?

But, Mr. Reagan has not addressed himself to those or other substantive questions raised by the Iran-contra affair, profound questions going to the foundations of the U.S. political society. What he has said has seemed easily casual, detached from the realities of what happened.



Doll Up a Cabbie, and a Mug's Still a Mug

By Mark Rose

NEW YORK—When I drove a taxi for two years — through ice storms and incredibly hot, humid nights, from Kennedy Airport to Riverdale — the last thing I worried about was the acceptability of my attire.

MEANWHILE stupid law, the stupid law said I was supposed to pick up the stupid guy. The drunk drolled on a desk. "Get him outta here," the sergeant said. "You pick up someone like this, you get what you deserve. Don't waste my time."

"You want to tell me this guy got drunk in 10 minutes in your cab?" Murphy said, really putting on a show. "I love you stupid cab drivers."

From that time on I inspected potential passengers more closely. Every cabbie comes to this if he wants to survive and make money. But there is more to it than a once-over. It's nothing for a vulture to put on a mink or a tuxedo. It's the eyes, and the vibrations, that are nearly impossible to fake.

As a thinking person, he cannot ask us to consider AIDS in the same category as the other illnesses he mentions: brain cancer, heart disease. AIDS is contagious. It is clearly an epidemic.

Protecting human beings against the alarming spread of AIDS must be a public concern far beyond the chauvinistic issues of sexual preference. Although Mr. Krauthammer might consider himself a non-risk case, he and other complacent individuals must immediately understand that because the disease is contagious, like polio or rabies, the lives of millions of sexually active people are endangered regardless of their orientation.

Divergent Views on Waldheim, Austria and the Pope

Kurt Waldheim may not have personally committed atrocities, for which he would need to stand trial, but it is beyond dispute that he was a staff officer with military units engaged in the deportation of Jews to death camps. At the very least, Mr. Waldheim was more concerned about staying out of trouble than he was about the fate of his fellow men.

Prime Minister Yitzhak Shamir of Israel, and now many American Catholics, are condemning Pope John Paul II's decision to grant an audience to President Waldheim of Austria. I am not a member of either religion, nor am I a fan of Mr. Waldheim's, but I would like to applaud the pope's decision, and encourage others to consider following his example.

LETTERS TO THE EDITOR

You quote U.S. Jewish organizations with their statements on Mr. Waldheim's past. So far no proof of Mr. Waldheim's "abominable acts" in World War II has ever been shown or published. I will not accept his guilt until it is proven.

My Mother and I are both Christian. During World War II, she was a Resistance fighter. The Waldheim-Pope John Paul meeting has outraged us.

Allow me to add to G.S. Troller's excellent comments (Letters, June 16) on Professor G.-K. Kindermann's fables (Letters, June 5). I lived the two last war years on forged papers in Germany, and I can assure your readers that no German I ever talked to — and I talked to many in all walks of life — equaled the Austrians I knew from my Viennese childhood in mean-spirited anti-Semitism.

as a thinking person, he cannot ask us to consider AIDS in the same category as the other illnesses he mentions: brain cancer, heart disease. AIDS is contagious. It is clearly an epidemic.

It is clear that in his opinion column, "In the Drive Against AIDS, Why Pledge a Blank Check?" (June 16), Charles Krauthammer is trying very hard to appear at least somewhat compassionate toward victims and potential victims of this disease. But in writing that AIDS requires the collaboration of the sufferers he forgets that most of the afflicted were ignorant of the existence of the virus when they contracted the illness.

For 007 only the best is good enough. And that's certainly true when it comes to advanced technology and innovative products. That's why James Bond chooses Philips in his new film "The Living Daylights". For this film, as well as Bond's previous big success, Philips supplied advanced electronic products. Products that help James Bond to make the impossible possible in numerous action-packed situations. And keep him a vital step ahead of all his enemies.



James Bond and Philips - partners in perfection.



In other words Philips plays an important role in all of James Bond's action. A role that made this exciting production possible. Proving that when it comes to advanced product technology, we can easily meet even the toughest demands. After all, if James Bond chooses Philips as his partner in perfection, it's no surprise that millions of consumers all over the world also prefer Philips products.

Philips. The sure sign of innovation. PHILIPS Philips Corporate Marketing Communications, Eindhoven, the Netherlands. PHOTOGRAPHS © 1987 DANAGRA AND UNITED ARTISTS PICTURES. ALL RIGHTS RESERVED.

# U.S. Advised To Rebuild Chancery In Moscow

The Associated Press

**WASHINGTON** — James R. Schlesinger, the former defense secretary who studied the problem of electronic spying at the new U.S. Embassy in Moscow, recommended Monday that the top three floors of the unfinished building should be removed and rebuilt.

Mr. Schlesinger, who made his study for the State Dept., told the Senate Budget Committee, that an annex should be built to house the most sensitive embassy offices.

The United States, he said, should try to "neutralize" listening devices in the lower five floors of the eight-story chancery building and use the floors as a consulate, a trade office or for medical services.

Under a 1977 U.S.-Soviet agreement, each country is building a new embassy in the other's capital. Mr. Schlesinger recommended the accord be revised to make clear that all new U.S. construction in Moscow will be done by Americans with security clearances, not by Soviet workers.

He said that when the embassy in Moscow is completed — which should be in 1990 if the Kremlin agrees to his recommendations — the Russians should be allowed to occupy their new complex on Mount Alto, one of the highest sites in Washington.

While much had been made of the advantages of the Mount Alto site for intelligence gathering, Mr. Schlesinger said, the advantages were "considerably less than popularity assumed."

### 29 Delect to West Germany

The Associated Press

**MUNICH** — Bavarian police said Monday that 14 Poles and 15 Czechoslovaks left tour groups last weekend and stayed behind in West Germany, where they will be allowed to stay even if officially denied political asylum.

# 1988: Longing for the Nonrunners

(Continued from Page 1)

Georgian is moving toward running. He coyly said that, while he had once been "70 to 30" against running, the latest odds were a more favorable "60.5 to 39.5," although still against.

The continuing speculation that Mr. Nunn may run has been especially harmful to Mr. Gore, who is trying to build a base as the South's only candidate. "The prospect of Sam Nunn running freezes a lot of people," said Dick Lodge, chairman of the Tennessee Democratic Party.

Other Democrats who are known to be considering candidacies are Representative Patricia Schroeder of Colorado and Governor Bill Clinton of Arkansas.

The election of 1988 is plainly not the first in which voters and party leaders have looked outside the roster of volunteers for a nominee.

Wendell Wilkie was nominated by the Republicans in 1940 as the result of a brilliantly orchestrated boomlet just before the convention. Adlai Stevenson's nomination by

the Democrats in 1952 was the product of a late draft.

In 1964, many Republican primary voters wrote in the name of Henry Cabot Lodge, then the U.S. ambassador in South Vietnam, in preference to Nelson A. Rockefeller and Barry M. Goldwater, the ultimate nominees. And in 1976, important Democratic leaders hoped that Hubert H. Humphrey would enter the Democratic race late to stop Jimmy Carter.

Yet, many politicians see substantial differences from these earlier cases. For one thing, the way candidates are selected now, through a grueling series of primaries, is different from what it was in 1940, 1952 or even 1964.

In the old days, convention delegates or the party leaders who controlled them were largely free agents who could shift their support at will before and at the national convention. Now, most delegates are bound by the decisions of primary election voters, at least for the first convention ballot, and most are directly selected by candidates who count on their loyalty.

For supporters of the current candidates, the most annoying aspect of the interest in the noncandidate is the implicit subject: that those in the race are somehow inadequate to the job.

Many political professionals dismiss this view and say that the remaining Democrats are suffering from the pull thrown over the contest by Gary Hart's abrupt withdrawal amid scandal over his relationship with Donna Rice, the model and actress.

One influential Midwestern Democratic congressman said that his party now had "a bunch of very good candidates for vice president." But the congressman, who recently attended a convention where many of the candidates spoke, said that rank-and-file Democrats tended to be more enthusiastic about the existing candidates than observers in Washington are.

Harrison Hickman, a Democratic pollster, said that another difference from the past is that the new rules of presidential politics have the effect of encouraging little-known candidates. "One of the requirements to be a player in the game used to be that you had to be well known," he said.

But with all the publicity that accrues to the Iowa caucuses and the New Hampshire primary, unknowns can count on being instant celebrities if they win in either state. Such recognition propelled Mr. Carter to the nomination in 1976 and Mr. Hart to national prominence in 1984.

On the Republican side, the candidates are far from obscure. Whatever Vice President George Bush's political weaknesses may be, one of them is not a lack of experience. Much the same can be said of the Senate Minority leader, Bob Dole of Kansas.

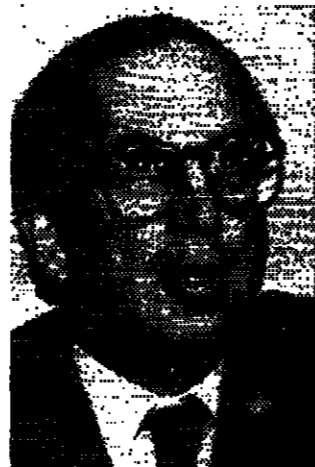
Thus, the enthusiasm that Mr. Baker's name evokes at Republican meetings is less a negative commentary on the other candidates than it is a sign of the affection for Mr. Baker among the rank-and-file political activists and the sense that he could emerge as a unifying force at the end of a potentially bitter battle for the nomination.

But on the Democratic side, Mr. Gore noted, the stature of politicians seems to grow in direct proportion to their distance from the hustings.

Thus, Mr. Bradley's insistence that he does not regard himself as being ready to be president comes off as statesmanlike humility — especially when he has been hard pressed to say why he regards other candidates with little more experience as quite prepared for the White House.

But if the noncandidates look especially good, many analysts say that is true in part because they are preserving themselves from the scrutiny and attack that falls onto those who enter the battle.

Mr. Nunn is profiting from this phenomenon, say many Democrats. As the chairman of the Senate Armed Services Committee, he is seen mainly as the widely respected expert on military and foreign policy, and as a moderate conservative who could draw defectors back into the Democratic fold. But if he became a candidate, Mr. Nunn's voting record would be open to severe criticism from his more liberal adversaries.



Sam Nunn



Bill Bradley

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# EGYPT: Tank Manufacture

(Continued from Page 1)

give it the strongest cost of armor in the U.S. tank arsenal.

The Pentagon has allocated \$168 million in start-up funds for Egypt's M-1A1 program beginning in the fall of 1988, according to sources.

The U.S. ambassador to Egypt, Frank G. Wisner, has told Western officials that the program represents another important bond in the relationship between the two countries.

In addition, as the U.S. stake in the security of the Gulf grows, Egypt is seen as a critical support base in the region.

More than a dozen American-made M-1A1s from the U.S. Army's 24th Division will participate in this summer's "Bright Star" military exercise involving U.S. and Egyptian forces, according to sources.

Yet a number of obstacles remain to the tank deal. Sources in Cairo and Washington say questions have been raised about the proposed transfer of the technology to Egypt and the economic impact on Egypt's heavily burdened economy.

Other critics of the proposed transfer say the loss of such a big order of tanks from American factories will have a significant impact on jobs in the United States.

In addition, despite the peace treaty between Egypt and Israel, some officials are concerned that Israel's supporters in Congress may oppose giving Egypt, and perhaps other Arab states, the technology to build a tank that U.S. officials say can outshoot Israel's main battle tank, the Merkava.

The production agreement comes at a time when Egypt is trying to revitalize plans made more than a decade ago to build an Arab world arms industry financed by the oil-producing states of the Gulf and by other regional powers such as Iraq, Turkey and Pakistan.

Those plans were shelved when Egypt made a separate peace with Israel in 1979, causing the Gulf states to sever relations and withdraw funding from Egypt.

The Egyptians, according to sources in Cairo, want to produce the tank to meet the threat of Libya's Soviet-equipped army in the next decade, as well as for national prestige.

U.S. Army officials, according to several sources, opposed the technology transfer, arguing that Egypt might end up spending much more for each tank than it would cost to buy them from the United States.

The export price to Egypt would be about \$3 million per tank under the foreign military sales program, in which Egypt buys with aid credits that do not have to be repaid.

Some U.S. Army officials predict that Egypt will spend \$4 million to build each M-1A1, especially after it invests in all of the facilities needed to produce it.

# ROH: Rewriting the Rules in Seoul

(Continued from Page 1)

nation and host of the 1988 Summer Olympics.

In the past, civil unrest was routinely blamed on "subversives" or "revolutionaries." This time, the ruling party faced up to the reality that the demonstrators' enjoyment of near universal sympathy from ordinary citizens. It blamed itself.

In former days, says Hyun Hoog Choo, a spokesman for the ruling party, "instead of responding to the people's wish, the ruling party imposed its will on the people. That was the typical attitude."

Mr. Roh's announcement has boosted the political stock of the unpopular government party. It has probably done the same for Mr. Roh himself as the party's presumed standard bearer in the election that is now expected to be held late this year.

People in both the government and the opposition predict Mr. Roh's steps will take the steam out of the demonstrations. They say that students attempting to take to the streets in the cities will find they don't have the respect and support they had before.

Some hard-liners do not seem happy over Monday's events. "We don't trust what they're saying," said a graduate student at Seoul's Yonsei University.

The opposition party, the Renovation Democratic Party, is now in the position of the dog that has caught the car it chases every day — what to do with it.

With its fundamental demands having been met, it must now somehow keep itself together and head off infighting that could mar its standing in the coming election.

The two Kims who lead the main opposition party, Kim Dae Jung and Kim Young Sam, are rivals who have come together in the past two years to fight for a system of direct presidential election. Even with that holding them together, they have periodically felt it necessary to issue formal declarations that they are in complete cooperation.

Both men demurred when asked of their presidential ambitions, saying they had none. But already there is talk of a split ticket for the opposition, while Mr. Roh runs alone for the government party.

A Western diplomat said that the government strategy may be to "let the two Kims kill each other."

The opposition seized on direct presidential elections as a simple, easily grasped issue onto which the enmity that millions of South Ko-

means felt toward Mr. Chun could be channeled. Direct elections have in many Koreans' minds become synonymous with democracy itself.

However, the fact is that in the past, Koreans have had direct elections but no democracy. There is ample room for cheating or manipulation of results under any election system.

Nonetheless, the opposition is chiding no doubt about who the winner will be, providing the voting is fair.

"Don't worry about the ruling party winning," Kim Young Sam told reporters. "Just ask the people. No one thinks that is going to happen."

He still had the "same attitude — no change," he said.

Some analysts expressed concern that a falling out between the two Kims could lead to the sort of bitter rivalry that in 1980 led Mr. Chun, then head of a mutiny of army generals, to tighten martial law and consolidate power. But a political science professor at Seoul National University said that "politicians do learn from history," and argued that the Kims were not likely to repeat their squabbling.

It was widely felt among political analysts that Mr. Roh had significantly added to his stature as his party's presidential candidate. Until now, he had been dismissed as a figurehead operating in the shadow of Mr. Chun. But the announcement Monday transformed him immediately in some eyes into a man looking to assert his independence as well as to help the country.

As word of the decision spread across the capital, Koreans allowed themselves finally to feel hopeful after weeks of tension and apprehension that the civil unrest, if unchecked, could lead to military intervention.

In offices and markets, people stopped their normal business to watch Mr. Roh on television. Those who were on the street snapped up single-sheet extra editions printed by the national dailies.

EC: Money Differences

(Continued from Page 1)

that would require the liberalization pact to be renegotiated.

Spain wants the Gibraltar airport excluded from the air pact, saying its inclusion would legitimize Britain's hold over the Rock. Britain opposes this but showed some flexibility in recent talks. Belgium, which currently holds the EC's revolving presidency, mediated the talks.

On EC finances, Mrs. Thatcher called for strict budgetary rigor to cure the EC's deficit, which could reach \$6 billion this year. She also called for stiff reforms in spending on farm subsidies, which is widely recognized as being out of control.

"Expenditures should be tailored to available resources and not vice versa," Mrs. Thatcher reportedly told her colleagues.

She is generally supported by West Germany, Denmark and the Netherlands, although those countries are not quite as resolute as the British leader. West German aides, for example, hinted at the meeting that Bonn might accept an increase in development aid.

The leaders hope to reach some kind of agreement Tuesday that will set the outlines for a long-term solution to the EC's problems. The final decision would presumably be made at the next summit meeting in December.

Meanwhile, though, the leaders aim to provide direction to agricultural minister, who will meet Tuesday, and to the budget ministers, who are scheduled to meet on Thursday. Both sets of officials are deadlocked over spending plans for 1987, and officials hope that guidance from the summit meeting will end the stalemate.

# BEIRUT: Iranians Curbed

(Continued from Page 1)

Christian areas of Lebanon heeded the call for a general strike issued by the Central Bank.

The three Central Bank officials, all Christians, were abducted on June 29, 1985, in the Mouslem sector during a wave of sectarian kidnappings.

Prison Reported Attacked Security sources said that guerrillas attacked a prison Monday in the Israeli "security zone" in southern Lebanon, wounding several militia guards. Reuters reported from the Lebanese port of Sidon.

The sources said that at least three rocket-propelled grenades hit Khiam prison, but it was not known if any of the 300 to 350 prisoners held there were wounded.

The sources said that ambulances carried away five persons from the 70-man South Lebanon Army militia unit that guards the jail. The militia's radio station reported only one man hurt.

Most of the prisoners are believed to be Shiite militants. Amnesty International, the London-based human rights group, published allegations last year of torture in the prison and urged Israel to open it for inspection.

Israel was denied responsibility for the prison, although former inmates have said interrogations were carried out under the direct supervision of Israeli agents.

# ALBERT: Tribute Rotting Away

(Continued from Page 1)

status have been craying to the ground.

Some statues are being held in place by rope and adhesive tape. The Venetian glass mosaic must be removed and regouted. The entire edifice is shaky because water has leaked in, rusting its cast-iron structure.

Despite the decay, it is still possible to see that Gilbert Scott, the architect, achieved his dream of creating "a fairy structure, composed half of the builder's and half of the jeweler's art," according to Stephen Bayley, author of a book on the memorial.

Norman St. John Stevas, chairman of the Royal Fine Art Commission, said that 50 years ago the memorial was so unpopular it could have been torn down without public outcry.

No one believes the monument will be destroyed. Environment officials call demolition an "extreme alternative" intended to provide a minimum cost figure. But Queen Victoria may be lucky that eminent Victorians, who tired of mourning Prince Albert, are not making the decision.

In 1864, Charles Dickens wrote a friend to say that if there was "an inaccessible cave anywhere in that neighborhood to which a hermit could retire from the memory of Prince Albert and testimonials to the same, pray let me know of it."

"We have nothing solitary and deep enough in this part of England," wrote Dickens.

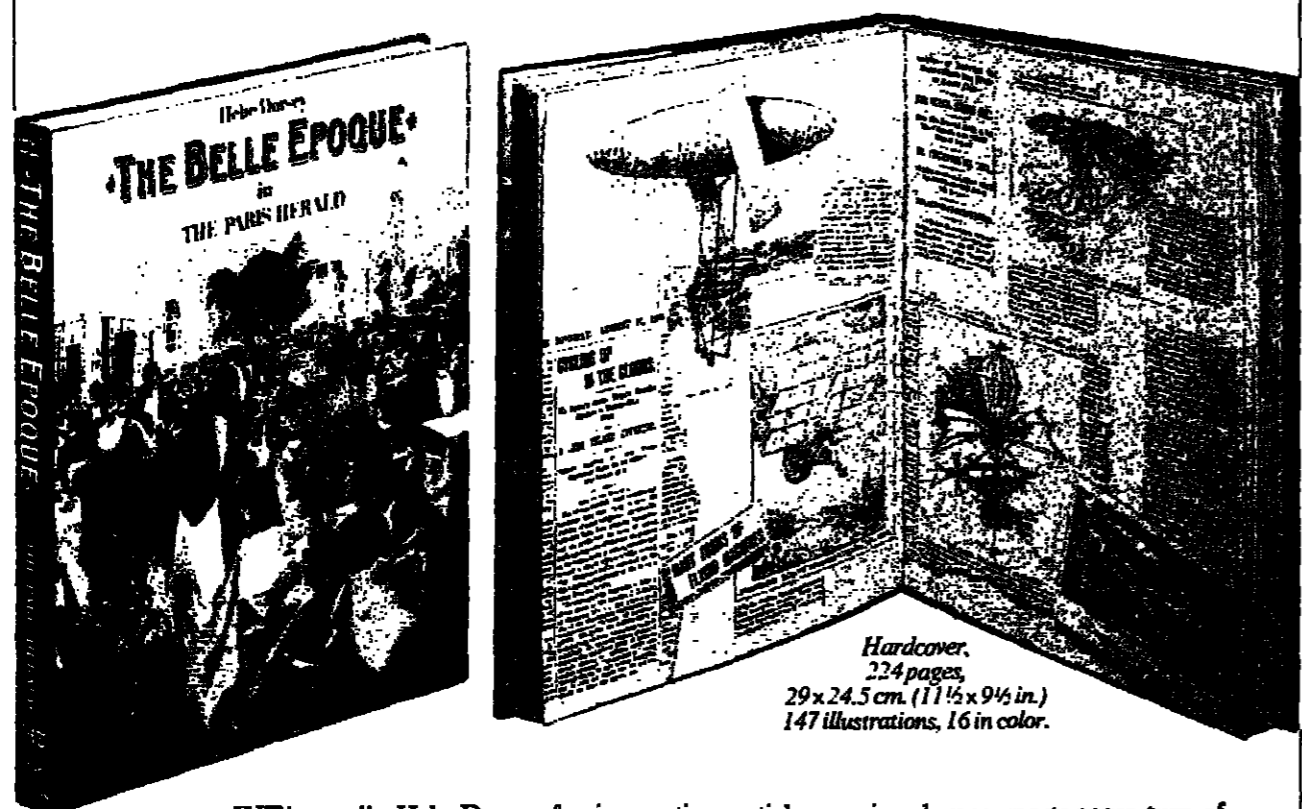
INTERNATIONAL CLASSIFIED

(Continued from Back Page)

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ARTS / LEISURE

# Uproar on the Upper West Side

**NEW YORK** — Twenty years ago, Selma Weiser had two young children, no money and no job. Last week, in recognition of her entrepreneurial spirit and for six Charivari stores on the West Side, she was honored by the West Side Chamber of Commerce with a dinner at the Tavern on the Green, in Central Park.

Several designers and fashion editors paid tribute to Weiser in a video put together by her son Jon, a former film student at New York University and since 1971 in charge of Charivari's men's division. (Her daughter, Barbara, a PhD in literature, shares the woman's fashion division with her mother.)

The fashion consultant Bernie Ozer said Weiser had "retailing hands of gold." The Japanese designer Yohji Yamamoto, whom Weiser discovered, called her "Hi, Mother." The New York Times' fashion writer Bernadine Morris, a personal friend who used to play tennis with Weiser 20 years ago, said that the "West Side grew around her." Issey Miyake called her "a creator of two other creators. Her two children."

liberal. It is experimental. It is avant-garde. It is ethnic mix. "It's the evening of my life," said Weiser after a standing ovation. "I just don't believe it."

She first opened at Broadway and 85th Street with \$65 (her son thinks it was more like \$400), a hole in a wall in the then-unfamous West Side. She had just lost her job as a dress buyer for a Newark department store. In what could be staged as a fashion "West Side Story," she and her children painted the 400-square-foot shop and Weiser featured a go-go dancer — sporting groovy vinyl boots and a miniskirt — as part of her window display.

She also opened on April 1 because everyone said I had to be a fool to open a store on the Upper West Side. It was a gamble. I was divorced and had two kids to support. But I had faith in the idea and faith in the Upper West Side. Today, besides fashion, we have restaurants, several movie theaters. Real estate there is the same as on the East Side. Besides, it's the most vital of all neighborhoods in New York.

ume of \$15 million in 1987. Her most recent store, on 57th street, a starkly handsome Japanese-modern building across from Bergdorf Goodman and next to Henri Bendel, cost \$1.5 million and put Charivari in the big league. Recently, Charivari won the Coty award for innovative retailing and an award for retail design from Interiors Magazine.

Cruising the world three months Weiser had looked in the Thesaurus for a name, and came up with Charivari, after discovering that it means uproar, which is exactly what she had in mind.

a year, looking for radically different and avant-garde designers, the gussy Weiser, 58, her daughter Barbara 36, and her son Jon 32, were first with the Japanese designs which became a cornerstone of their business. They signed up Issey Miyake, Rei Kawakubo (designer of Comme des Garçons), Matsuda and have exclusive rights with Yohji Yamamoto. "We are con-

stantly looking for that new thing," Jon said. "We take risks with unknown designers." Their adventurous spirit also led them to push British talents including Culture Shock and Katharine Hamnett. In Italy, they do business with Armani, Geany and Bybloe. In the United States, they launched Marc Jacobs and Cathy Hardwick.

"You have to give your customer the vision," said Barbara. Among their long list of celebrity customers: Warren Beatty, Robert Redford, Jerry Hall, Mick Jagger, Diane Keaton, Bruce Springsteen, Nastassja Kinski and Mariel Hemingway.

While the three Weisers march as a fashion formation, Selma is the most arresting and very much like her business — an uproar. A huge woman with red hair that she pushed all the way to carrot, Selma Weiser would have a hard time wearing a sweater and skirt. Instead, wrapped in miles of black Japanese cloth, layers upon impossible layers and carrying a giant black bag, she comes across as, yes, cute. Over the years, she has melo-



The experimental and avant-garde family Weiser: Selma (left), daughter Barbara, and son Jon. "Only the interesting retailers will survive."

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# Through American Eyes

**By John Russell**  
*New York Times Service*

**NEW YORK** — What happened to American landscape painting between 1880 and 1900? We may know, from books, about the Düsseldorf school, the Munich school and the Brittany school. We may know of the American painters who went to Giverny in hopes of picking up a thing or two from Claude Monet. We know something — quite enough, in some cases — about American Impressionism. But how to put all that disparate information together and make sense of it is another problem altogether.

of seaboard subjects by Childé Hassam, William Merritt Chase and William Leroy Metcalf. Picknell is not a household name, but his painting of a Breton road (laid down not long before, and still looking new) that seems to stretch on and on into a white and stony infinity, is one of the best paintings to have been produced by an American in France at that time.

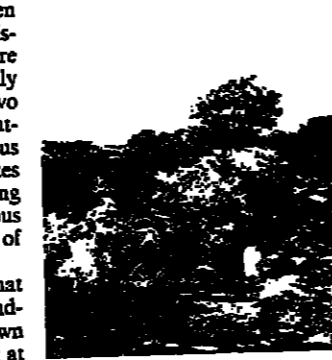
As for the Hassams, the Chases and the Metcalf, we can almost smell the salt in the air above Gloucester, Massachusetts, and on the Shinnecock Hills on Long Island as we look at them. In works like these, American landscape painting got its act together.

straight and still. The children bend, jump, dance around. Whistler doesn't describe what they are doing, and he models them hardly at all. But with just a ribbon or two here and there a stocking leg outlined against the sand, he gives us between those two figures, whirling back and forth in their vigorous disarrangement, and the stillness of sand and sky.

The lesson of this show is that the United States was full of landscape painters who went their own way, whether in Europe or back at home, and turned out paintings that cannot be classified under any particular school but have kept their freshness intact.

The heroes of the show, for me, are painters like Robert Williams Vonnoh (1858-1933), who could make a memorable, exact and plainspoken image out of some steep-pitched roofs and a couple of blind walls. As for Arthur Wesley Dow (1857-1922), he would get a prize, if prizes were in order, for his painting of some distant marshes.

With its repeated color shocks that look arbitrary, but are really most cunningly conceived, its deft handling of a serpentine river and its easy aerial command of deep, plunging perspectives, Dow's "Marshes" is one of the most original American paintings of its date (1892).



William Lamb Picknell's "Road to Concarneau" (1880) is one of the best paintings by an American in France at that time.

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THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.

So the Norton Gallery of Art in West Palm Beach, Florida, has done a service by organizing a show called "In Nature's Ways: American Landscape Painting of the Late 19th Century" that can be seen at the National Academy of Design here through Aug. 16. In all, about 75 paintings are on view.

William Lamb Picknell's "Road to Concarneau" of 1880 hangs directly across from strong paintings

**DOONESBURY**

HAVOC HELDS SOME FLAK.  
I KNOW THEY HAVEN'T LOOKED TOO IMPRESSIVE SO FAR, MR. SECRETARY...

YOU CAN SAY THAT AGAIN! AND SO WILL CONGRESS WHEN THEY VOTE ON FUTURE AID!

WHAT CAN I SAY, SIR? THE C.I.A. ONLY DIRECTS THE WAR. THE ACTUAL FIGHTING'S UP TO THE CON-TREAS.

FIGHTING? WELL, IT WAS A LONG RAINY SEARCH THEY'RE IN A CONSTANT STATE OF RE-TREAT!

CHANKAH?

APPARENTLY THEY CELEBRATE IT EARLY HERE.

And then, on the third floor, there is a painting by Whistler. It shows an English beach, called Selsey Bill, toward the end of the day. The light is draining away from an almost uninflected stretch of sand that reaches way up into the top half of the canvas. The sky, likewise, is settling down for the night, with almost transparent washes of color that will presently disappear. All the world — or so it seems — is winding down. Except in the foreground, that is. Down towards the bottom edge of the canvas — Whistler paints it as if from high above — three human figures can be seen. A mother, or perhaps a nanny, and two children, rather overdressed (by today's standards) for the beach. The older woman stands

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NYSE Most Actives table with columns for Vol., High, Low, Last, Chg.

Market Sales table with columns for NYSE adv. vol., NYSE adv. value, etc.

NYSE Index table with columns for Vol., High, Low, Last, Chg.

Monday's NYSE Closing logo with text 'Via The Associated Press'

AMEX Diary table with columns for Declined, Unchanged, Advanced, New Highs, New Lows.

NASDAQ Index table with columns for Vol., High, Low, Last, Chg.

AMEX Most Actives table with columns for Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Declined, Unchanged, Total Issues, New Highs, New Lows.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, '3171.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for Industrials, Transp., Utilities, Finance, Total Issues.

NASDAQ Diary table with columns for Declined, Unchanged, Total Issues.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed, Dow Advances

NEW YORK — Prices on the New York Stock Exchange closed mixed Monday in moderate trading. The Dow Jones average of 30 industrial stocks rose 10.05 to close at 2,446.91. Declines led advances by about an 8-7 ratio.

The NYSE composite index rose 0.32 to 172.99. The average share price was up 8 cents. Volume was 142.5 million shares, down from 150.5 million shares traded Friday.

Traders said program buying lifted the blue chips in the final half-hour of trading. In a generally dull market, oil issues stood out as gainers after the weekend agreement on output by the Organization of Petroleum Exporting Countries.

Ron Doran, senior equity trader at First Albany Corp. called it a "lackadaisical" market and said he expected it to remain quiet for the rest of the week.

He said the market, with many players absent, would probably show little reaction Tuesday to the index of leading U.S. indicators unless it is far out of line.

Although the market opened lower after Friday's declines, it soon turned higher. Analysts said the three oil components of the Dow average supported the index's early gains.

Texas rose 1 1/2 to 39 3/4. Exxon climbed 2 1/2 to 93 1/2 and Chevron advanced 1 1/2 to 61 1/2. But Pennzoil dropped 4 to 78 1/2. Texas said the U.S. Securities and Exchange Commission

would urge the Texas Supreme Court to review the suit involving the two companies. Alan Ackerman of Gruntal & Co. said the market was supported by a steady dollar.

He also said that U.S. money managers were on the sidelines awaiting a better chance to invest. Foreign investors are buying big capital stocks in New York, he said.

Traders said Japanese stocks on the NYSE fell as investors sold the issues because of a recent sharp decline in the Tokyo Stock Exchange. Among the Japanese issues, Matsushita fell 5 1/4 to 149 3/4. Honda sank 5 1/4 to 114 1/4 and Hitachi fell 4 to 79.

Korea Fund jumped 10 1/2 to 70 1/2 on hopes for an end to unrest in South Korea. Traders said some institutions were adjusting their holdings before the end of the quarter Tuesday. They said, however, that most adjustments were completed last week and only a few more last-minute changes could be expected Tuesday.

Di Giorgio jumped 3 points to 30. Gabelli Corp., which last week said it had offered to acquire Di Giorgio stock in an offer valued at about \$28 a share, said it had a 28.5 percent stake in the company.

Bell & Howell rose 3 1/2 to 57 1/2. An investor group led by Robert Bass of Fort Worth, Texas, said it owned 8.5 percent of the company's common stock. In a statement to the SEC, the investor group said it may buy or sell shares of Bell & Howell.

A.H. Robins, which has been mired in bankruptcy litigation for two years stemming from the numerous liability claims against its Dalkon Shield interuterine device, was unchanged.

12 Month High Low Stock Div. Yld. PE

Table of stock prices and financial ratios (A-M) for various companies.

Table of stock prices and financial ratios (N-Z) for various companies.

12 Month High Low Stock Div. Yld. PE

Table of stock prices and financial ratios (A-M) for various companies.

Table of stock prices and financial ratios (N-Z) for various companies.

(Continued on next left-hand page)

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INTERNATIONAL STOCK MARKETS

Oslo Prices Are Expected To Stay Firm This Summer

By JURIS KAZA... Oslo — Prices will remain firm on the Oslo Stock Exchange during the summer doldrums typical of Nordic markets...

Foreign demand for Norwegian shares appears to be at record levels.

Ms. Svarva said that foreign demand, spurred by higher oil prices, had largely been behind the advance on the Oslo market...

U.S. Sales Of Homes Plummet 14.9% Drop Is 5-Year Record

WASHINGTON — U.S. sales of new homes plunged 14.9 percent in May from April, the biggest drop in more than five years...

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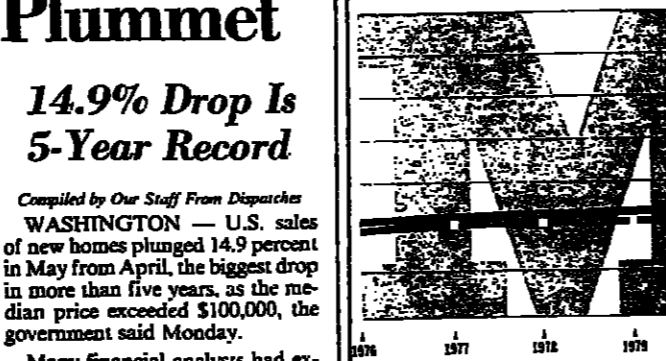
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Allis-Chalmers Seeks Protection From Creditors

MILWAUKEE — Allis-Chalmers Corp., the former farm-equipment giant that has struggled for two years to put itself on sound footing, said Monday that it was filing for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code...

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Table with columns for Currency, Rate, and Source. Includes entries for 1 month, 3 months, 6 months, 1 year.

Table with columns for Country, Rate, and Source. Includes entries for Japan, U.S., etc.

Table with columns for Country, Rate, and Source. Includes entries for U.S., etc.

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# Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low	Stock	Div. Yld. PE	52 High	52 Low	Close	Chg.
12.50	3M	1.75	12.50	11.25	11.875	-0.125
1.50	5Y	1.50	1.50	1.375	1.4375	-0.0625
2.50	10Y	2.50	2.50	2.375	2.4375	-0.0625
3.50	20Y	3.50	3.50	3.375	3.4375	-0.0625
4.50	30Y	4.50	4.50	4.375	4.4375	-0.0625
5.50	40Y	5.50	5.50	5.375	5.4375	-0.0625
6.50	50Y	6.50	6.50	6.375	6.4375	-0.0625
7.50	60Y	7.50	7.50	7.375	7.4375	-0.0625
8.50	70Y	8.50	8.50	8.375	8.4375	-0.0625
9.50	80Y	9.50	9.50	9.375	9.4375	-0.0625
10.50	90Y	10.50	10.50	10.375	10.4375	-0.0625
11.50	100Y	11.50	11.50	11.375	11.4375	-0.0625

12 Month High Low	Stock	Div. Yld. PE	52 High	52 Low	Close	Chg.
1.50	20Y	2.50	1.50	1.375	1.4375	-0.0625
2.50	30Y	3.50	2.50	2.375	2.4375	-0.0625
3.50	40Y	4.50	3.50	3.375	3.4375	-0.0625
4.50	50Y	5.50	4.50	4.375	4.4375	-0.0625
5.50	60Y	6.50	5.50	5.375	5.4375	-0.0625
6.50	70Y	7.50	6.50	6.375	6.4375	-0.0625
7.50	80Y	8.50	7.50	7.375	7.4375	-0.0625
8.50	90Y	9.50	8.50	8.375	8.4375	-0.0625
9.50	100Y	10.50	9.50	9.375	9.4375	-0.0625

12 Month High Low	Stock	Div. Yld. PE	52 High	52 Low	Close	Chg.
1.50	10Y	1.50	1.50	1.375	1.4375	-0.0625
2.50	20Y	2.50	2.50	2.375	2.4375	-0.0625
3.50	30Y	3.50	3.50	3.375	3.4375	-0.0625
4.50	40Y	4.50	4.50	4.375	4.4375	-0.0625
5.50	50Y	5.50	5.50	5.375	5.4375	-0.0625
6.50	60Y	6.50	6.50	6.375	6.4375	-0.0625
7.50	70Y	7.50	7.50	7.375	7.4375	-0.0625
8.50	80Y	8.50	8.50	8.375	8.4375	-0.0625
9.50	90Y	9.50	9.50	9.375	9.4375	-0.0625

### U.S. Futures

Via The Associated Press

Month	High	Low	Open	High	Low	Close	Chg.
July	100.00	99.00	100.00	100.00	99.00	99.50	+0.50
Aug.	100.00	99.00	100.00	100.00	99.00	99.50	+0.50
Sep.	100.00	99.00	100.00	100.00	99.00	99.50	+0.50
Oct.	100.00	99.00	100.00	100.00	99.00	99.50	+0.50
Nov.	100.00	99.00	100.00	100.00	99.00	99.50	+0.50
Dec.	100.00	99.00	100.00	100.00	99.00	99.50	+0.50

### Grains

Month	High	Low	Open	High	Low	Close	Chg.
July	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Aug.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Sep.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Oct.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Nov.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Dec.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### Food

Month	High	Low	Open	High	Low	Close	Chg.
July	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Aug.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Sep.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Oct.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Nov.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Dec.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### Metals

Month	High	Low	Open	High	Low	Close	Chg.
July	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Aug.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Sep.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Oct.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Nov.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Dec.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### Livestock

Month	High	Low	Open	High	Low	Close	Chg.
July	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Aug.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Sep.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Oct.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Nov.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Dec.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### Currency Options

Month	High	Low	Open	High	Low	Close	Chg.
July	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Aug.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Sep.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Oct.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Nov.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Dec.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### Stock Indexes

Index	High	Low	Open	High	Low	Close	Chg.
Dow Jones	1000	990	1000	1000	990	995	+5
S&P 500	100	99	100	100	99	99.5	+0.5
Nikkei	10000	9900	10000	10000	9900	9950	+50
Hong Kong	100	99	100	100	99	99.5	+0.5
London	100	99	100	100	99	99.5	+0.5

### AMER High-Lows

Stock	High	Low	Open	High	Low	Close	Chg.
IBM	100	99	100	100	99	99.5	+0.5
Microsoft	100	99	100	100	99	99.5	+0.5
Apple	100	99	100	100	99	99.5	+0.5
Oracle	100	99	100	100	99	99.5	+0.5
Sun	100	99	100	100	99	99.5	+0.5

### U.S. Announces Plans To Terminate Tax Treaty With Netherlands Antilles

WASHINGTON — The Treasury Department said Monday that the United States had decided to terminate a tax treaty with the Netherlands Antilles, a site that had become popular to float bonds.

Treasury Department officials issued the one-paragraph statement saying the 39-year-old income tax treaty no longer would extend to the Netherlands Antilles and Aruba starting Jan. 1. The Treasury Department decided to end the treaty after negotiations between the United States and the Netherlands over the past eight years had failed to reach an accord, a spokesman said.

The decision means the sale by U.S. parent companies of Eurobonds through Netherlands Antilles subsidiaries no longer will be free of the 30 percent U.S. withholding tax, the spokesman said.

Terminating the tax treaty may cause issuers to call in bonds early. Most have maturities of 10 years or less and were issued before 1984, a spokesman said. A U.S. official said he did not expect the action to have an adverse effect on U.S. issuers because the general decline in interest rates means they will be able to refinance at lower rates.

(UPI, Reuters)

### Paris Commodities

Commodity	High	Low	Open	High	Low	Close	Chg.
SUGAR	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
COFFEE	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
COPPER	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
ALUMINUM	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
ZINC	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### London Commodities

Commodity	High	Low	Open	High	Low	Close	Chg.
SUGAR	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
COFFEE	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
COPPER	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
ALUMINUM	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
ZINC	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### Dividends

Company	Dividend	Yield	Pay Date
IBM	1.00	4.0%	Dec. 15, 1987
Microsoft	1.00	4.0%	Dec. 15, 1987
Apple	1.00	4.0%	Dec. 15, 1987
Oracle	1.00	4.0%	Dec. 15, 1987
Sun	1.00	4.0%	Dec. 15, 1987

### Spot Commodities

Commodity	High	Low	Open	High	Low	Close	Chg.
SUGAR	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
COFFEE	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
COPPER	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
ALUMINUM	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
ZINC	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### South Koreans Send Stock Market Soaring On Good Political News

SEOUL — South Korean stock prices recorded their largest rise for a single day Monday as investors jubilant over a decision by the ruling party to back democratic reforms, went on a buying spree.

Brokers said the rise was almost across the board, and they expected further gains over the next few days. "The market will go through the roof," said George Robinson, senior analyst with W. I. Carr in Seoul.

The composite index went up 16.68 points to end at 404.10, with most shares at or close to their daily high.

All but six issues gained among 499 traded, with construction and financial stocks climbing fastest.

Three weeks of violent political turmoil sent jitters through the market, but share prices were buoyed during the crisis as investors with strong nerves picked up shares at bargain prices, brokers said.

### Inflation Rate in EC Fell to 3.2% in May

LUXEMBOURG — The annual rate of inflation in the European Community eased slightly in May, to 3.2 percent from 3.3 percent in April, according to provisional figures published Monday.

By comparison, U.S. annual inflation accelerated to 3.7 percent in April, the latest month for which data are available, from 3 percent in March.

The EC statistics office, Eurostat, said prices in the 12-nation community showed a moderate rise of 0.2 percent between April and May, much smaller than the 0.6 percent increase recorded a month earlier.

### Fiji Devalues Its Dollar by 18%

SUVVA, Fiji — The Fiji dollar was devalued Monday by 17.75 percent in a bid to stimulate the economy, affected by last month's coup.

A Reserve Bank statement said the devaluation was one of a number of measures required to maintain external financial stability. The Reserve Bank also imposed a ban on foreign investments by Fiji residents.

After the devaluation, the Fiji dollar was traded here Monday at 76 U.S. cents, compared with last Friday's rate of 93. The tourist industry in Fiji has come to a virtual standstill, and most of Fiji's sugarcane is still in the ground as cane farmers, mainly ethnic Indians, refuse to harvest crops because of the overthrow of the Indian-dominated government.

### DM Futures Options

Month	High	Low	Open	High	Low	Close	Chg.
July	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Aug.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Sep.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Oct.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Nov.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Dec.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### U.S. Treasuries

Month	High	Low	Open	High	Low	Close	Chg.
July	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Aug.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Sep.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Oct.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Nov.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03
Dec.	1.00	0.95	1.00	1.00	0.95	0.98	+0.03

### Fed Permits Move By Citicorp, Sears

WASHINGTON — The Federal Reserve Board approved on Monday Citicorp's proposed takeover of 50 branch offices of Sears Savings Bank in California.

Citicorp, already the 21st-largest depository institution in California with \$2.9 billion in one of its subsidiaries, Citicorp Savings, would jump to 15th. Citicorp plans to assume about \$2 billion in Sears deposits and buy \$1.9 billion in tangible assets, the Fed reported.

Sears Savings is a federally chartered savings and loan that is subsidiary of Sears Roebuck & Co. Sears Savings has 91 branches in California, mainly in the southern part of the state, and \$6.6 billion in total assets. The statement did not say what Sears planned to do with the remaining thrifts.

**U.S. Announces Plans To Terminate Tax Treaty With Netherlands Antilles**

WASHINGTON — The Treasury Department said Monday that the United States had decided to terminate a tax treaty with the Netherlands Antilles, a site that had become popular to float bonds.

Treasury Department officials issued the one-paragraph statement saying the 39-year-old income tax treaty no longer would extend to the Netherlands Antilles and Aruba starting Jan. 1. The Treasury Department decided to end the treaty after negotiations between the United States and the Netherlands over the past eight years had failed to reach an accord, a spokesman said.

The decision means the sale by U.S. parent companies of Eurobonds through Netherlands Antilles subsidiaries no longer will be free of the 30 percent U.S. withholding tax, the spokesman said.

Terminating the tax treaty may cause issuers to call in bonds early. Most have maturities of 10 years or less and were issued before 1984, a spokesman said. A U.S. official said he did not expect the action to have an adverse effect on U.S. issuers because the general decline in interest rates means they will be able to refinance at lower rates.

(UPI, Reuters)

BUSINESS ROUNDUP

COMPANY NOTES

Broken Hill Reports Fall in Earnings

By Michael Richardson
International Herald Tribune
MELBOURNE — Australia's largest company, Broken Hill Pty., announced Monday a fall in net profit of 17 percent to \$202 million Australian dollars (\$587.2 million) in the financial year ended May 31.

natural gas, mining and other interests are in North and South America and other countries outside Australia. But only about 10 percent of the shares are held by foreigners.
Brian T. Loton, BHP's managing director, acknowledged that the net profit attributable to shareholders before extraordinary items was "less than we had hoped for."
Most Australian analysts had projected the company's net profit between \$50 million dollars and \$50 million dollars.

GenCorp to Sell General Tire To Continental

AKRON, Ohio — Continental Gummi-Werke AG, West Germany's largest tire producer, has agreed to buy General Tire Inc. from GenCorp Inc. for \$650 million in cash, the companies announced Monday.
Continental will acquire General Tire, including its domestic and foreign operations, and GenCorp will retain liability for the medical benefits of General Tire employees who retired before Nov. 30, 1984.

Allied-Signal Inc. and Schlumberger Ltd. said Schlumberger had acquired Allied-Signal's Neptune International unit in Atlanta, Georgia, for an undisclosed sum. Allied-Signal said Neptune produces water meters and flow-measurement equipment, with sales last year of \$80 million.
Brent Walker Group PLC said it had agreed to buy the group of companies comprising Lonrho PLC's Metropole Casinos division, together with a freehold in central London, for £121.55 million (\$195 million). Payment will be in cash on completion except for £3 million payable on Dec. 1, 1988.

Sumitomo Corp. Mazda will annually import 144,000 metric tons (158 short tons) of Australian coal worth about 9 billion yen (64 million dollars).
Olivetti SpA is in contact with Telerate Inc. of the United States and other groups with a view to strengthening its economic news agency business. Radiocor, an Olivetti spokesman said. No accord had been reached, he said. He declined to identify the other companies.
Rizzoli Editori SpA, the Italian publishing company, has signed a share-swap agreement with the French groups Hachette SA and Publications Filipacchi. Hachette will acquire a 10 percent stake in Rcs Editori. Rcs Editori will take a 12.5 percent stake in the Hachette subsidiary, Fep, and a 5 percent stake in Publications Filipacchi.

Under New Rules, First Chicago to Buy 35% of Wood Gundy

Compiled by Our Staff From Dispatches
TORONTO — On the eve of regulation of the Ontario securities industry, First Chicago Corp. said Monday that it would purchase a 35 percent interest in Wood Gundy Inc. for 271 million Canadian dollars (\$203 million).

The companies said they signed an agreement in principle. Mr. Medland said First Chicago would receive the 35 percent interest in Wood Gundy in newly issued treasury securities.
The transaction is expected to be completed by Sept. 30 and is subject to Canadian and U.S. regulatory approval.
Mr. Medland said the investment would increase Wood Gundy's shareholder capital to more than \$300 million.
The agreements would permit the companies to deliver capital

U.K. Mergers Will Alter Face of U.S. Advertising

By Geraldine Fabrikant
New York Times Service
NEW YORK — The spate of British takeovers of American advertising agencies will have a much greater impact on the way the agencies do business than on the content of their ads, according to industry analysts.

David Leibowitz, a senior vice president at American Securities, said: "I have no reason to believe there will be any dramatic changes. So far in terms of ad content we have not seen any new trend developing."
But after JWT Group's agreement last Friday to accept a sweetened bid from a British marketing group, WPP Group PLC, the analysts say they believe the acquisition wave is far from over.
Saatchi & Saatchi Co. of Britain has already acquired Ted Bates Worldwide, Compton Advertising, Backer & Spielvogel, and DFS-Dorland Worldwide (previously Dancer Fitzgerald Sample and Dorland Advertising). WCRS Group, another British agency, bought Della Femina, Travisano & Partners and HBM-Creamer & Partners. Another, Boase Massimi Pollitt Partnership, bought Ammirati & Paris.
According to the analysts, the British have three important reasons for their U.S. foray. First, the recent decline in the value of the dollar enables the British to make



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The Journal of Commerce (New York)
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Mitsubishi, Cat Set Joint Venture

Agence France-Press
TOKYO — Mitsubishi Heavy Industries Ltd. said Monday that it would set up a joint venture with Caterpillar Inc. on Wednesday to produce construction machinery in Japan.
Mitsubishi, the largest Japanese manufacturer of heavy machinery, said the joint venture, Shin Caterpillar Mitsubishi Ltd., would be capitalized at 23.1 billion yen (\$148 million).
The new company, to be based in Sagamihara, southwest of Tokyo, will aim for annual sales of 300 billion yen by fiscal 1990, Mitsubishi added.

Willis Faber to Acquire Stewart Wrightson

Restated they dropped sharply to 393 pence.
Willis already owns 2.05 million shares, or 4.62 percent, and has received acceptances from Stewart's directors for a further 247,469 shares.
Full acceptance of the offer would involve the issue of 66.2 million new Willis shares, or 28.2 percent of the enlarged total.
Willis Faber is a holding company whose subsidiaries engage in international insurance and reinsurance broking and act as underwriting agents for insurance companies and for members at Lloyd's of London.
The companies said the proposed merger would bring together businesses that were largely complementary. They said the combination would permit more effective competition worldwide and would enhance service to clients.
The two companies said the merger would allow significant opportunities for growth in brokerage income and considerable scope for improved operating efficiency.

LONDON — Willis Faber PLC is making a \$302.6 million (\$485 million) offer for the insurance broker Stewart Wrightson PLC, the companies announced Monday in a joint statement.
The offer would be on the basis of three Willis Faber shares for every two in Stewart Wrightson, valuing each Stewart share at about 65.5 pence.
Shares of both companies were suspended Friday on the London Stock Exchange.
Stewart Wrightson shares rose to 576 pence after the opening on Monday from a suspension price of 499 pence.
Willis Faber shares were suspended at 437 pence. When trading

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CURRENCY MARKETS

Dollar Steady, Pound Slips in Sell-Off

NEW YORK — The dollar edged higher Monday in very quiet, thin trading with market participants forecasting a continuation of the current narrow range.

London Dollar Rates

Table with columns: Currency, Bid, Ask, and other market data for London Dollar Rates.

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Bank of France Reduces 2 Key Interest Rates

PARIS — The Bank of France on Monday cut two key interest rates by a quarter of a percentage point, a spokesman for the central bank said.

MCI: The Long-Distant Second Is Trying to Hold the Line Against US Sprint

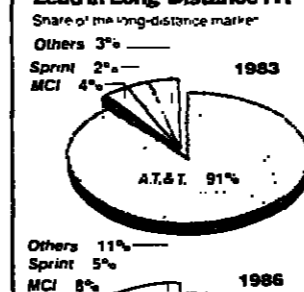
(Continued from first finance page) fight for large business customers that generate most long-distance revenue. AT&T still has by far the largest piece of the long-distance market, with about 76 percent.

But the company's days of dazzling growth are over. "They are making a difficult transition from growth-oriented market share to a cash flow and profit-driven company, and that has got to be a painful one for management," he said.

As good an opening guy as MCI is going to get," and the executive vice president, H. Brian Thompson, a former McKinsey & Co. consultant and a top-notch strategic thinker.

On the company side of the equation, MCI cut its work force by 16 percent last year — down to 13,700 — to trim costs. About 20 percent of the cuts were employees of Satellite Business Systems, a business communications company that was purchased from IBM in exchange for a 16.7 percent stake in MCI, estimates Mr. Roberts, MCI's president.

A.T. & T. Still Holds a Big Lead in Long-Distance



In the race for No. 2 position, Sprint looks awfully good.

Glenn Powers, market analyst

High-Flying Markets Worry Bank of Japan

TOKYO — The Bank of Japan is increasingly worried that high-flying financial markets will crash, sources at the bank said Monday.

Such a possibility has been heightened by what the bank sees as excessive speculation in stock, bond and land prices.

The increased inclination of investors to seek capital gains and the accompanying rise in prices of existing assets could have dangerous implications, it added.

OPEC: Oil Prices Rise

(Continued from first finance page) display solidarity to world oil markets and keep prices high.

MCI, which uses a mixture of technologies that it says is just as efficient and more cost-effective, first counterattacked by scoffing at fiber optics, then turned around and said it was the first to complete a long-distance call over a fiber-optic line, Mr. Morris said.

To get through the next decade, MCI will need a different management style than it had in its first 10 years, said James Mason McCabe, an analyst who follows the company for Nomura Securities International.

Mr. Wright estimates that MCI pays half its revenue to local telephone companies for vital connections to their networks, while the regional companies make profits hand over fist, he said.

MCI has also been introducing cheaper bulk long-distance offerings that provide more precise billing, as well as private network services and toll-free "800" service. MCI now offers international long-distance service to 55 countries, compared with AT&T's 180.

Monday's OTC Prices NASDAQ prices as of 4 p.m. New York time. Via The Associated Press

Table of OTC prices for various stocks, including columns for stock name, price, and change.

Table of stock prices for various companies, including columns for stock name, price, and change.

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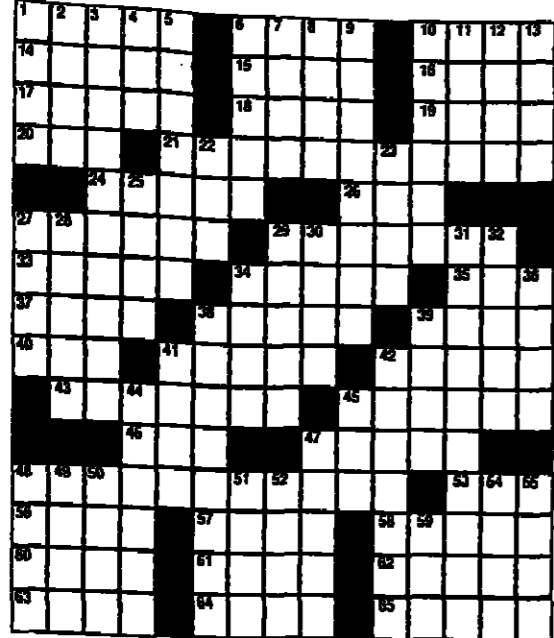
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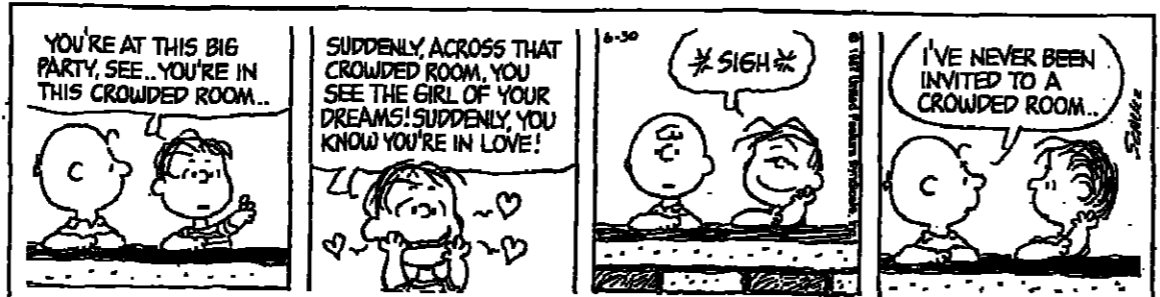
**ACROSS**  
 1 Part of an M.O.  
 6 Seal  
 10 Coin of Colombia  
 14 Mistreat  
 15 Gigantic  
 16 Bakery worker  
 17 Casino game  
 18 Like some vaccines  
 19 City in Rumania  
 20 "—here!"  
 21 The Scooter  
 24 Cut wool  
 26 Utters in Br'er Fox jargon  
 27 Canopy  
 28 Tried again  
 33 Place for a watch  
 34 Salad ingredients, for short  
 35 N.A.C.P., e.g.  
 37 Eye parts  
 38 What fielders shag  
 39 A Met star in 1969  
 40 Anette de Beauvoir  
 41 Pituitary, e.g.  
 42 Baseball's shoe part  
 43 Soon, to Sponser  
 45 What Bernhard trod  
 46 Morning lawn sight

**DOWN**  
 1 Charts  
 2 Orchestral member  
 3 A teamate of 48 Across  
 4 Employ  
 5 Eve's tempter  
 6 Loft group  
 7 Fling  
 8 Gelling agent  
 9 Chow chow  
 10 Public square, in Torino  
 11 Neutral color  
 12 Stock-exchange position  
 13 Church calendar

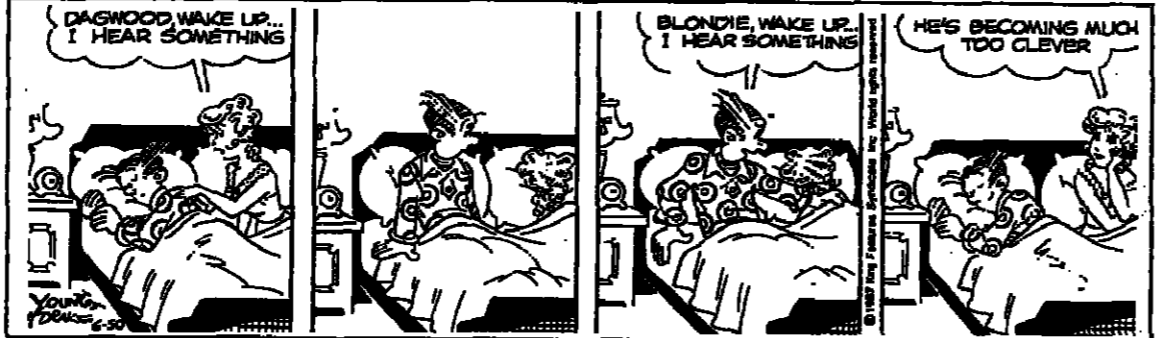
47 Feast of Lots  
 48 An artful Dodger  
 1949-50  
 53 Athos, to Porthos  
 56 He played Pierce  
 57 Author Jaffe  
 58 Flagged  
 59 Lecher's look  
 61 Jannings of filmdom  
 62 Banal  
 63 Give temporarily  
 64 Some June heroes  
 65 Dolts

22 Crime  
 23 Snorer's letters  
 24 Villain's greeting  
 25 Role-making tools  
 28 Pen  
 29 Repentant  
 30 Supplemented, with "out"  
 31 Mantle teammate  
 32 Terrors  
 34 Auel's "The Cave Bear"  
 36 Understands  
 38 Blossomed  
 39 Jail  
 41 Kind of club that might give hits  
 42 Mrs. King  
 43 Famous Confessor  
 44 Steinbeck's erratic vehicle  
 47 Rings out  
 48 Crowl ball  
 49 Robert—  
 50 Actress Barbara  
 51 Capital of Italia  
 52 Writer Bagnold  
 54 Mature out  
 55 Bad day for Caesar  
 59 D.C. agcy.

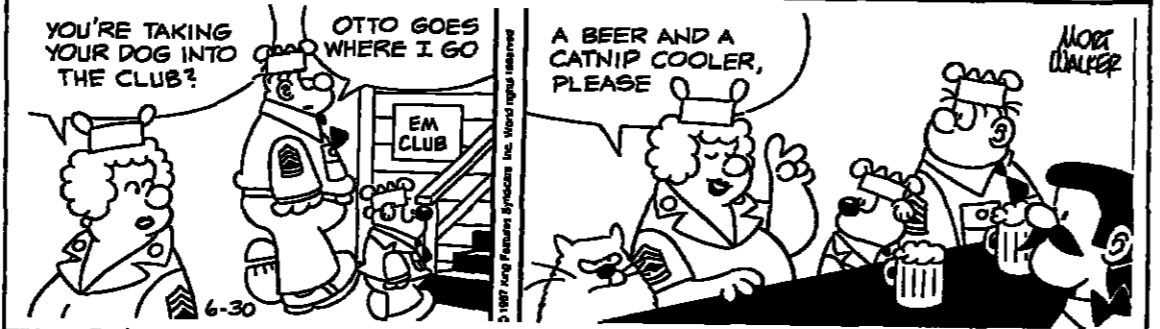
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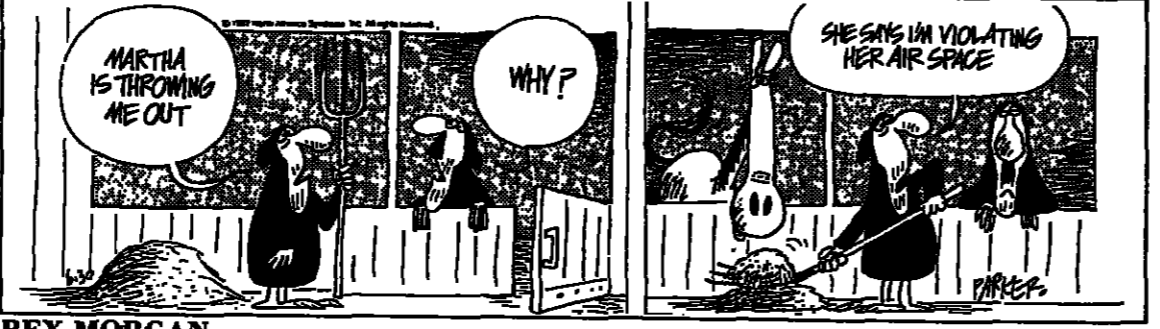
BETLE BAILEY



ANDY CAPP



WIZARD OF ID



DENNIS THE MENACE



"HOW COME YOUR T-SHIRT DOESN'T SAY ANYTHING? DID YOU ERASE IT?"

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

**SELOU**  
 O \_ \_ \_ \_  
 \_ O \_ \_ \_  
 \_ \_ \_ O \_

**RETIG**  
 \_ \_ \_ \_ \_  
 \_ \_ \_ \_ \_  
 \_ \_ \_ \_ \_

**DIEPT**  
 \_ \_ \_ \_ \_  
 \_ \_ \_ \_ \_  
 \_ \_ \_ \_ \_

**RUMMUR**  
 \_ \_ \_ \_ \_  
 \_ \_ \_ \_ \_  
 \_ \_ \_ \_ \_

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: " \_ \_ \_ \_ \_ "

Yesterday's Jumbles **CROWN EMPYK JUMPT DAMMED**  
 Answer: What the word you were going to put on the card game brought with him—HIS OWN "PACK"

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	28	19	Beijing	33	24
Austria	26	18	Bangkok	32	23
Berlin	24	16	Hong Kong	31	22
Brussels	23	15	London	28	19
Geneva	24	16	Manila	30	21
Paris	23	15	Seoul	31	22
Rome	24	16	Singapore	30	21
Sydney	23	15	Tokyo	28	19
London	22	14			
Madrid	23	15			
Los Angeles	22	14			
New York	23	15			
Hawaii	24	16			
San Francisco	23	15			
Seattle	24	16			
Portland	23	15			
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ART BUCHWALD

Graduate Dishwashing

WASHINGTON — Most commencement speakers...



Buchwald

WASHINGTON — The first time he was detained in prison...

WASHINGTON — The first time he was detained in prison...

Holocaust Memorial Opened

JERUSALEM — Israel's Yad Vashem Holocaust Museum...

Tales of Detention in South Africa

By Carla Hall

WASHINGTON — The first time he was detained in prison...



From left, witnesses William Tshabalala, Pole Nape and Patrick Makhoba.

He was detained for five months. "Our government promotes the idea that people who are detained are involved in snoring, burning...

After 42 days in jail, "they just came in and said, 'Pack your bags and go.'"

He was released three months after he was detained. "They just came with forms and read our names," he says.

PEOPLE

Jim and Tommy Bakker Plan Public Appearance

Jim and Tommy Bakker plan to make a public appearance at Gatlinburg...

The British millionaire tycoon Richard Branson, 46-year-old...

Snow White got a star on the Hollywood Walk of Fame during a ceremony...

Leonard Bernstein was awarded the 73d gold medal of Britain's Royal Philharmonic Society...

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